Germany's Dream of Empire (Page 10)

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The Nation's Business

Grave Implications of Quebec Election

BY ITS critical, explosive nature the Quebec election campaign is rapidly manoeuvring Canada into a Dominion election; possibly into national government as well.

Such a result seems inevitable if Rt. Hon. Ernest Lapointe and his French Cabinet colleagues persist in their intention of resigning in the event of Mr. Duplessis being returned to power.

It would be impossible for Canada to prosecute its war effort successfully if three important members of the Cabinet—representing nearly one third the population of Canada—were to resign.

Such action would be equivalent to voting French Canada out of the war.

Yet French Canada has given abundant evidence of her desire and willingness to participate as enthusiastically as any other part of Canada in the nation's war effort.

* * *

PERHAPS Mr. Lapointe has acted too precipitously in insisting that the Quebec election challenges irrevocably his own commitment of French Canada's participation in the war.

True, Premier Duplessis has not hesitated to provoke such action.

But Mr. Lapointe and his colleagues must know that Mr. Duplessis is really doing a shrewd if inexcusable piece of political profiteering.

The real reasons for calling a snap election are financial, not constitutional. Had the federal ministers refused to take the autonomy appeal seriously—had they taken the stand that Mr. Duplessis had no right to vote Canada into or out of the war—a national upheaval might possibly have been avoided, even if Mr. Duplessis had been returned to office.

Certainly the calling of a general election to vindicate the stand taken by Mr. Lapointe is to be deplored.

* * *

Stronger Cabinet Needed Now

AN ELECTION on the above lines could scarcely be carried out as a party fight.

It would mean, in effect, that Prime Minister King would be asking the electorate to return the Liberals to power on the question of Canada's wholehearted participation in the war. An issue like that would place opposition leaders such as Dr. Manion, Mr. Coldwell and Mr. Blackwell, who have already endorsed Canadian participation to the utmost, in an impossible position.

To avoid this dilemma, an appeal to the country for a fresh mandate on Canada's participation in the war might lead to discussion of a national government. Only in that way, Mr. King might feel, would the Government be able to appeal to all Canada (Quebec included) to close the apparent cleavage caused by Mr. Duplessis's re-election on October 25.

* * *

SUCH a programme at this time would be little short of calamitous; not only because of the grave potentialities of a campaign fought on such issues during war but because it would be a means of escape for Mr. King from his present important job: strengthening his War Cabinet by the best executive and administrative brains in the country, irrespective of party ties and service.

National government, besides choking off constructive criticism (which is the essential spur to government efficiency) would increase the number of political leaders claiming Cabinet posts. It would make it harder, not easier, for Mr. King to proceed with his most urgent work of bringing into the Cabinet the country's ablest citizens.

This is a responsibility which was not met at all by the Cabinet shuffle of a few weeks ago. It still remains the most immediate task of governmental leadership—a task with which not even the Quebec election dilemma should be allowed to interfere.

* * *

Every Department Should Abolish Patronage

HON. NORMAN ROGERS hit straight from the shoulder when he warned every member of Parliament that political patronage, so far as the Department of National Defense was concerned, was OUT for the duration of war.

Mr. Rogers's statement is the strongest yet to come from Ottawa on this subject. It confirms and strengthens a similar assurance made to Parliament by the Prime Minister himself. It is especially important coming from the head of a department which, under the Hon. Ian Mackenzie, was the most flagrant offender in political favoritism and the squandering of public money among party friends.

What Mr. Rogers has laid down for his department applies to every branch of government. It is not sufficient that patronage and favoritism be eliminated from defense administration. No branch of government should be allowed to countenance political profiteering.

Were every department to adhere to Mr. Rogers's credo it would serve to strengthen the Defense Minister's difficult job of carrying out an ex-

(Continued on page 2, col. 4)

Delay In War Orders Traced To Credit Hitch

Ottawa Said Balking Over British Financing Proposals

From Our Own Correspondent

OTTAWA.—Why the delay?

This is the question with which Ottawa is being confronted, from every section of the country where there are industrialists who are prepared to accept war contracts. They are ready to get on with war orders; they have been informed through various official and unofficial sources that their plant and equipment will be needed. But apart from orders urgently necessary for the equipment of the Canadian Active Service Force, no substantial contracts have been awarded.

Careful enquiry at Ottawa reveals the following answers:

The British War Mission, while established here and ready for operation, has not yet received go ahead instructions from London.

The Canadian War Supply Board, so far as general war orders are concerned, is waiting for the decision of the British Government to proceed.

It will take some time to work out the announced British plan to expand aircraft production and training in the Dominions, with operations centred in Canada. The mission headed by Lord Riverdale will require time for study and conference before the scheme is even launched.

Problem of Financing

There is some evidence that the delay to date is related to the question of the financing of British war orders in Canada.

British authorities seem anxious to have Canada immediately grant unlimited credits to the British Government. Canadian authorities on the other hand, while willing to be generous in the matter of credits, feel that Britain should not expect Canada to finance, not only its own considerable war expenditures, but all British purchases in Canada as well.

Canadian officials feel that Canada's contribution should be financed along four lines:

1. Canada's expeditionary force and many other contributions this country is making to the common cause to be paid for by this country.

2. A portion of Britain's purchases in Canada to be paid for in

(Continued on page 2, col. 3)

Canada at War

Again this week The Financial Post presents comprehensive and reliable surveys of the effect of war on all phases of activity in Canada. Indexed below are some of the feature articles and news reports analyzing developments in industrial, political and social fields.

Credit:
Currency Expansion—p. 17.
Control Board Use Advised—p. 10
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Voluntary Service:
National Clearing House—p. 20.

War Calendar—p. 3.

B.C. Shelving New Deal Bid

War Demands Utmost 100 Per Cent Co-operation, Says Pattullo

From Our Own Correspondent

VANCOUVER. — British Columbia's Government has determined on a policy of 100% co-operation with the Canadian Government for the duration of war.

Premier T. D. Pattullo made that clear when he announced that this province's pleas for better terms and a more equitable redistribution of taxation sources would be shelved until the return of peace.

"This is the time for harmony and getting together," declared Mr. Pattulo. "It's no time for disunity and petty grievances."

Some Economies

British Columbia will probably have to economize to some extent because it will have to forego all the concessions that had been hoped for as a result of recommendations of the Rowell commission's report, but the province is favored by the fact that industrial revenues are higher now than they have ever been.

Combine Probes To Be Continued

From Our Own Correspondent

OTTAWA. — The war will not halt current investigations of the combines investigation branch of the labor department. These investigations will be completed and the findings made public in the usual way. This, it is learned, applies to the investigation of the apple distributing business of western Canada. The report is expected in the near future.

National Steel Outlook Good, Plants Active

Earnings This Year Should Show Good Increase

EXPANDS FACTORY

From Our Own Correspondent

MONTREAL. — Earnings of National Steel Car Co. in the current fiscal year will be substantially higher than in the 12 months ended June 30 last.

Aircraft and munition departments of the company are both busy, and railway equipment orders will be placed with the company in the immediate future.

A larger volme of railway equipment business than in 1938-39 is now assured. Acting on behalf of the Government the War Supply Board will shortly place orders for $25 millions of rolling stock, including 53 locomotives, 4,000 box cars, 700 flat cars and some refrigerator cars for the Canadian National and Canadian Pacific Railways.

No information is available as to what portion of this business is likely to be placed with National Steel Car. However, as one of the leading railway equipment companies it will receive a good share of the business.

In the ordinary course of events this business would not have been placed until early in 1940. Furthermore, part of it probably would have been carried over by the company into its 1940-41 fiscal year. Now, it is likely to be entirely completed within the current fiscal year.

Objective of the Government is to get railway equipment orders out of the way as soon as possible. Announcements from Ottawa state deliveries are to start in about three months and to be completed within six months.

Expands Munition Output

Little information is available in regard to the company's munition business. It is known, however, that the company is expanding shell production.

In the manufacture of shells, National Steel Car has a head start on all other Canadian companies. In 1936 it obtained an order from the British Government for 520,000 25-pound shells and has been turning out shells in small quantities ever since. This has given the company valuable experience and put it in a position where it can expand production rapidly.

Aircraft Division Busy

The aircraft division at Malton, Ont., is busy. The company is making parts for Handley Page "Hampden" bombers which are to be assembled by Canadian Associated Aircraft Ltd. for the British Government. It is also turning out Westland Lysander military planes for the Canadian Government.

Prospects are that aircraft facilities of the company will be expanded further, especially if additional orders are placed in Canada by the British Government.

Work will start shortly on the construction of an addition to the

(Continued on page 2, col. 3)

Mr. Mackenzie Buys An Officers' Mess

Why Did Ottawa Pay $94,000 For Prominent Citizen's Estate When Undeveloped Land Available?

In his recent radio broadcast, Winston Churchill said:

"Parliament will be kept in session and all grievances or muddles or scandals can be freely ventilated there. In past times the House of Commons has proved itself an instrument of national will power capable of waging stern wars."

Parliament is not in session in Canada. When it does meet, there are a number of governmental contracts it should review closely, in its rôle of an instrument of national will power capable of waging stern war.

Some of these contracts have already been ventilated in The Financial Post in articles that the St. Catharines Standard speaks of as "honestly critical editorship."

Facts have been gathered by The Post concerning still another operation of the Department of National Defense which will hardly commend itself to the Canadian public as sound and economical administration of national affairs. The transaction in question took place under the regime, not of the present minister, but of that of Hon. Ian Mackenzie.

Mr. Mackenzie, it will be remembered, has been rewarded by the Prime Minister for his blundering and inefficiency, and for Canada's war shortages and lack of preparedness, by being left in the Cabinet as the responsible minister of a department expending $57 millions a year, and where he himself draws a salary of $10,000 a year.

The appointment of Mr. Mackenzie as Minister of Pensions and National Health may have been intended as a demotion. But it was the sort of demotion that hardly satisfies public opinion. The Canadian people will not be satisfied so long as Mr. Mackenzie is a member of Canada's War Government.

* * *

Here is the transaction referred to:

It followed from the development of a certain west coast air station (whose location, for military reasons, will not be referred to here). Construction of the station involved the erection of large hangars and a barrack block for men in training. The hangars were on the waterfront, the barrack block close to it. Being purely utilitarian and definitely ugly, these buildings did not improve the scenic outlook from the area to their landward side.

A quarter of a mile or so from the waterfront, overlooking these new obstructions to the west coast's natural beauty, was the residence of a prominent citizen associated with a group known to be "close to" Mr. Mackenzie. The property was in the wife's name.

In due course the Department concluded that the station needed a single officers' mess. It decided to acquire the prominent citizen's residence and estate for this purpose.

This was in June, 1938. The Department offered $49,150 for the property which included the house, the usual outbuildings and approximately six acres of land. The property was assessed at $49,150.

The offer was refused. The Department then entered action in the Exchequer Court.

The owner of the property argued that because of its unique character it was impossible to fix a fair market value for the property. Compensation, therefore, should be based on the intrinsic value of the property to the family. This, it was claimed, was $145,700.

* * *

In evidence, one prominent real estate agent who appeared for the owner said a fair value for the property would be $80,000. Demands for properties of this size and character were rather scarce. A property of this size was generally sold at a loss of around 25%. He would, he thought, be able to sell the property within a delay of 10 years for the $80,000 figure he mentioned.

For the Crown, another prominent realtor testified that the value of the property did not exceed $40,000.

Both witnesses agreed that the erection of airplane hangars would depreciate the value of surrounding properties.

* * *

The court accepted the view that intrinsic value and not market value should be the basis of the award. Compensation was fixed at $85,860, plus 10% for enforced expropriation, a total of $94,446.

The details of the valuation are interesting. They are as follows:

5.86 acres of land @ $3,500 an acre	$20,510
House, $72,000, less depreciation of $24,000	48,000
Garage and chauffeur's living quarters	1,600
Greenhouses	1,200
Barn and chicken house	160
Entrance gates	1,400
Iron fence	500
Garden stone walls	5,000
Driveway and cement walks	800
Tennis court and wire mesh fence	1,600
Trees, shrubs, hedges, flowers, etc.	5,000
Fish pond	30
Manure pit	60
	$85,860
Plus 10%	8,586
Total	$94,446

Such were the items included in the acquisition of a single officers' mess for an air station. Payment on the above terms was awarded by the court on Aug. 21, 1939—two weeks before the outbreak of war.

* * *

What the public will want to know is this:

1. Why did the Defense Department expropriate a six-acre estate—the most pretentious estate in the neighborhood—for an officers' mess when undeveloped land was available?

2. The Department found it had ample time to build a barrack block for other ranks on undeveloped land. Why wasn't the same procedure followed with officers' quarters?

3. Why did the Defense Department set in motion a train of events which resulted in the taxpayers of Canada paying $94,440 for a property assessed at $49,150 when, according to competent real estate authorities, circumstances had arisen which would depreciate the value of the property?

4. Did the taxpayers get an officers' mess worth $94,440?

5. Why was it so important that this particular building should be expropriated when its purchase involved the expenditure of

(Continued on page 2, col. 4)

Highlights

Outlook for automotive industry in Canada, spotlighted by the National Motor Show opening this week, has been materially changed by advent of war. Effect of the situation is appraised, and features of new car design reported.

Auto Industry Outlook—p. 11.

* * *

Survey of newsprint securities, especially those of speculative interest, is continued in the second of a series of articles.

St. Lawrence Paper—p. 12.

* * *

Increase in dividend payments for October, as computed by The Financial Post, brings total for the year to date very close to the parallel period in 1938.

October Dividends—p. 16.

* * *

Effect on travel of war conditions, both into and out of Canada, is forecast in feature articles on monthly travel page.

Canadian Travel—p. 13.

Lake St. John Earnings Up

Expect Report to Show Debenture Interest to be Fully Covered

From Our Own Correspondent

MONTREAL.—Indications are that Lake St. John Power & Paper Co.'s financial statement for 1939 will show a small balance available on the preferred stock after provision for depreciation and interest charges. Last year the company set aside $138,691 for depreciation and was $43,838 short of covering bond and debenture interest. This year the debenture interest will be fully covered. It is too early to estimate what net profits will be applicable to the preferred.

Demand for newsprint has shown an upward turn, resulting in increased mill operations. Output for October and November will be on a larger scale than a year ago and prospects are likewise for December. With better returns prevailing, this means a marked step-up in earning power for Lake St. John. Another factor affecting the position of the company has been the improvement in the Hearst situation; at the end of last year Hearst companies owed nearly $1.3 million.

It is rather questionable if any dividend will be paid on the preferred stock, all owned by St. Lawrence Paper Mills, as a result of the year's operations. In the first place it is doubtful if the full dividend will be covered. Secondly, and more important, the company will have to clean up the arrears of interest on the debentures. The debenture interest for 1938 amounting to $176,375 was not paid when due on April 1 last.

Best Portfolios to Receive Awards

The Financial Post Offers Cash Prizes for Studies on Investing in Wartime

Foreign Exchange Control and practical elimination of opportunities for investing in foreign securities on the part of Canadians have added to the problems facing investors during such abnormal periods as war time.

Demands on Canadian industry to supply both our own armies and those of Britain and France will soon make themselves felt throughout Canadian industry. At the same time there is already announced new taxes and control regulations that clearly complicate investment problems.

Knowing that businessmen have to face many new troubles today, but at the same time have to employ their capital to the best advantage, and taking its cue from the many enquiries coming from investors all over the country, The Financial Post is offering prizes for suggestions as to what can best be done with investments today.

First prize is $100. Second prize is $50. In addition, a number of answers will be paid for and published.

Canada's best informed investment consultants, private investors and all others are urged to send in their ideas. The opportunity is offered to discuss investment problems through the medium of this contest.

Details of the contest and directions for entering, together with the conditions which are brief and simple, will be found in the announcement on page 4.

Newsprint Moves To Higher Levels

From Our Own Correspondent

MONTREAL.—Canadian newsprint production and shipments in September showed an increase. Actual returns will not be available until toward the end of this week. Usually there is a seasonal increase at this time of the year. On that assumption production last month likely ran well over 240,000 tons, as against 236,975 tons in the previous month and 231,940 tons in September, 1938.

Dominion Vote, Union Cabinet Now Forecast

Quebec Election Likely to Force National Election

NEED NEW MANDATE

From Our Own Correspondent

OTTAWA.—The Quebec election is almost certain to be followed by a Dominion election. There is a possibility that a "National" Government will be formed before the election.

A week's campaigning in Quebec has clarified issues. On the personal declarations of Rt. Hon. Ernest Lapointe, minister of Justice, and Hon. P. J. A. Cardin, Minister of Public Works, a victory for the Duplessis Government will mean the retirement of Quebec's representatives in the Dominion Government.

While it is unwise to attempt to forecast the outcome of the elections and the consequences which may follow, the trend of future policy is being carefully considered here. This first week of campaigning, it is learned, has disclosed no grave weaknesses in the Duplessis organization.

Premier Duplessis, at the moment, looks like a sure winner. The utmost his Liberal opponents now deem possible is to reduce his majority and even here their hopes may be disappointed.

Opposition of Quebec

What is now emerging from the welter of confusion created by the Quebec election is the fact that the King Government cannot continue in office without representation from Quebec. Mr. Lapointe and his colleagues will have resigned because their policy of voluntary cooperation in the war will have been condemned by French Canada. That at least is their interpretation of what a Duplessis victory would imply. Some other leading French Canadians, strong for a united war effort, do not accept Mr. Lapointe's view as right.

Mr. Duplessis is unable to accept the controls and regulations which Ottawa regards as essential to the prosecution of the war on a voluntary basis. In effect, therefore, a Duplessis victory would be construed here as a declaration by Quebec that it is opposed to Ottawa's war policy.

Under such circumstances it is thought impossible by Ottawa political observers for the King Government to continue in office and no alternative administration capable of handling this Quebec situation is in sight.

May Seek New Mandate

The probable course of events will be for Prime Minister King to concede that his government has no war mandate from the nation at large, to dissolve Parliament and seek such a mandate from the country. By taking this course, it is believed the unity of the country could still be saved as it is by no means impossible that the French-Canadian voters would support Mr. Lapointe and his associates in the Federal sphere just as they appear certain to support Premier Duplessis in the provincial sphere.

Moreover, having a direct mandate for war on a voluntary basis, the Government could compel Mr. Duplessis to accept whatever controls Ottawa thinks necessary in the circumstances.

National Government?

Important Liberals suggested this week that the Dominion election would be preceded by formation of a national or non-party government under Mr. King.

The fact that the first week of the campaign has opened badly for the Federal Liberals, is a bitter pill to Ottawa. Yet no alternative is regarded as feasible. If Mr. Duplessis has a mandate to resist wartime controls, he could so distract and bedevil Ottawa's war programme as to make effective action by this country all but impossible. Only by equipping themselves with a later and overwhelming mandate from the country at large could Ottawa hope to deal with him.

The technique of a wartime election under these circumstances is impossible to forecast. But present prospects are that dissolution at Ottawa will follow very quickly after the return of the Duplessis government in Quebec.

Burlington Steel Improves Sharply

Orders Booked Assure Capacity Operations for Rest of Year

Burlington Steel Co., Hamilton, reports that "it has booked sufficient orders to operate at full capacity for the balance of 1939." September shipments exceeded any previous month in the company's history, it is added. Further orders are being accepted subject to the mill's ability to make shipment. Prices for orders now being taken are to be those prevailing at the time of shipment.

The company states that "special attention is being given to the normal requirements of regular customers to assure shipments as promptly as possible."

In 1938 Burlington Steel's profits showed a sharp drop from the previous year, being equivalent to 65 cents a share against $1.45 for 1937. Operations for the first five months of this year were down about 10% but this should be offset by current improvement. Annual dividend 60 cents a share are paid.

Gains for Our Foreign Trade Seen Probable Result of War

But Some Manufacturers Find Trade Seriously Dislocated at Present

Canada's foreign trade is likely to show marked increase as a result of war in Europe.

Important new markets are likely to open for development and former markets should be recovered on the return of peace.

Canada's capacity to produce for export can be expanded far beyond present performance and war is likely to increase still further Canada's ability to compete in many lines.

Drastic shake-up of export business among different types of Canadian producers is inevitable, at least for the duration of the war. Some Canadian firms will find markets closed or strictly limited. New export opportunities will arise for producers hitherto largely indifferent to this form of business. On the whole, however, Canadian business, should find its export trade materially larger.

That briefly is the way export traders are sizing up the situation so far. Trade, generally, has not yet recovered by any means from the first shock of war. Government regulations are still coming out. It is by no means clear just what kind of a war this is going to be nor what its main theatre will be. But within those limits, the above generalizations are the consensus among key figures in Canada's export position.

U. K. Trade Shake-up

Capturing of new trade now will be indiscriminate. Main problem involved on the longer term view is to get markets in countries which can sell something to us.

Main group of Canadian producers who are already beginning to suffer from war trade conditions are some

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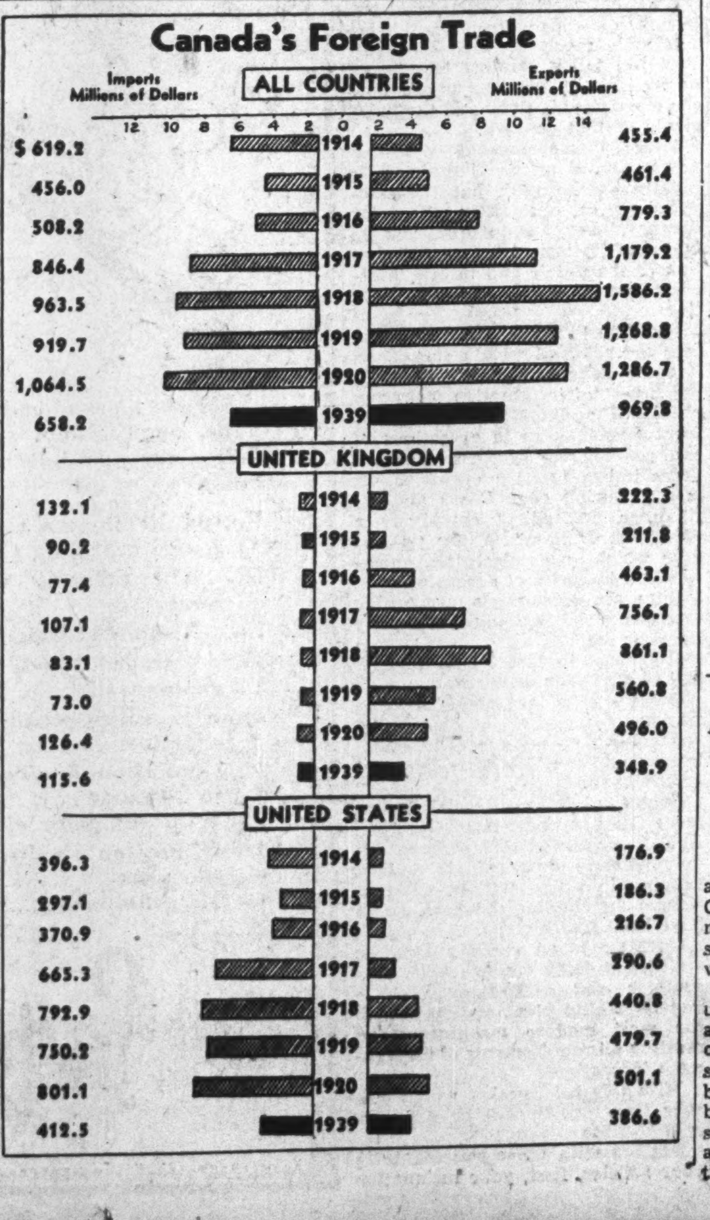

Policy of Sidetracking Irks C.B.C. Board of Governors

From Our Own Correspondent

OTTAWA. — Rumblings of protest are audible from the direction of the Canadian Broadcasting Corp. While nothing may come of them, there is some chance that a difficult situation will arise within the next few weeks.

The trouble, it is believed, centres upon wartime control of the Corporation. Under the Broadcasting Act of 1936, the control of the commission is placed in the hands of the board of governors. While appointed by the Government, they are responsible only to Parliament. They act as a buffer between the administration of the Corporation and the Government authorities.

It is understood that when war was declared the tendency of the management and the Government to come together to the virtual exclusion of the board of governors became marked. There are many observers who believe that this condition cannot be allowed to continue without clarification.

The Government, of course, could suspend the Broadcasting Act, under the War Measures Act, and do as it pleases with the Corporation. Or the Government could allow the Broadcasting Act to continue.

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MEN'S SHOP
BAY STREET SECTION

EATON'S - COLLEGE STREET

Information Bureau Scheme Abandoned By Government

From Our Own Correspondent

OTTAWA.—Temporarily, the Information Bureau which the Government proposed to set up has been shelved.

In the early days of the war, the Government was considering the establishment of a department or bureau of information, manned by experts in the art of publicity. It was to have been charged with giving form and driving power to the Canadian war effort and, as well, of interpreting this country to the United States and other foreign countries.

L. W. Brockington, K.C., head of the Board of Governors of the Canadian Broadcasting Corporation, was slated for the post of first or second in command of this service but succeeding weeks have brought no action.

This plan, it is learned, was laid aside in favor of a less ambitious one. A publicity service was to be created under one of the ministers. But, again, no action was taken and last week the whole proposal was dropped. The greatest factor in the decision to drop it was the collapse of the British set-up and its reorganization on lines of a straight information service.

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MONTREAL, QUE.

National Steel Outlook Good

(Continued from page 1)

company's Hamilton plant. Plans call for a one-story building, 320 x 100 ft., with steel frames and brick walls. The addition is expected to be completed before the end of the year.

At present it is impossible to make any estimate as to what the company is likely to earn in the current year. Certainly, profits will be larger than in 1938-39 when it earned $3.59 a share on its 175,000 common shares.

Profits might be as large as in 1937-38 when net profit amounted to $1,206,124, equivalent to $6.87 a share on the present share capital.

In order to earn an equivalent amount per share earnings would have to be larger, for the company will have to pay a higher income tax and the excess profits tax. Since much depends on the interpretation given to "capital employed," it is not possible to make any accurate estimate of what the excess profits tax will cost the company. Assuming, however, that the company has net earnings of about $1.6 million as in 1937-38, the balance available to the common stock after depreciation, income taxes and excess profits tax is not likely to be much over $1 million. With similar net earnings in 1937-38 there was $1.2 million available for the common stock.

Delay in Orders Traces to Credit

(Continued from page 1)

cash, out of Britain's gold and foreign exchange reserves here.

3. A further portion to be paid for by repatriation of British-held securities of Canadian Governments and corporations.

4. In addition, Canada to extend credits to Britain for an indefinite period.

Ottawa is anxious to come to some understanding with British officials as to the relative place of each of these forms of aid in the general programme.

Apparently there is some confusion as to the procedure that Britain will adopt. Rumors current last week to the effect that Britain was prepared to spend $600 millions forthwith almost certainly are related to the gold reserve which Britain has built up in the Bank of Canada. But there is no reason, as yet, to believe that Britain wants to spend this gold, even to reduce the gold reserve at the present time.

The British attitude, it is said, is that all that Canada can supply will be required but that in the meantime it would probably facilitate things if Canada was to give Britain credits. It is understood that when credits are needed the Canadian Government will not hesitate to provide them.

Avoid Strain on Savings

But credits to England will have to be financed by Ottawa by borrowing from the Canadian people. And Ottawa recognizes that too great a strain cannot be put on Canadian investors until some of the savings arising out of war business begin to accumulate. This was clearly set forth in the budget speech.

Once the British Government makes up its mind to proceed, action will follow. Meantime the placing of definite orders seems to await clarification of policy at London.

Reports that the British War Mission will function in Canada only through the agency of the Canadian War Supply Board require this clarification: In some respects, the British Mission is going ahead with purchases independently of the War Supply Board. A notable case in point is the purchase of Canadian lumber.

Montreal Tramways Co. Traffic Down Slightly

From Our Own Correspondent

MONTREAL. — Passenger traffic on the Montreal Tramways Co.'s system for the third quarter of 1939 totalled 47,175,897, a decline of .77% below the like period of last year.

For the first nine months of 1939 the system handled 153,624,930 paying passengers, as against 154,628,858 for the same period of 1938.

This would indicate a very small decline in gross revenues—about $65,000 on the basis of last year's receipts. It is not known if expenses have declined proportionately.

The Nation's Business

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cellent programme in a department still handicapped by the maladministration of former officials.

* * *

Washington Curbs Quebec Borrowing

ONE canard in Premier Duplessis's election campaign which has been quickly spiked by Rt. Hon. Ernest Lapointe is that the Foreign Exchange Control Board has prevented the province from obtaining funds from the United States.

Mr. Lapointe rightly pointed out in his speech this week that the real crimp in Premier Duplessis's American borrowing programme is the U. S. Neutrality Act. Section 3, a, of that Act forbids—

"... any person within the United States to purchase or sell or exchange bonds, securities or other obligations of the government of any belligerent state or of any state wherein civil strife exists . . or of any political subdivision of any such state . . . or to make any loan or extend any credit to any such government, political subdivision, faction, asserted government or person."

This same section of the Act specifically permits "renewal or adjustment" of indebtedness existing at the time of the presidential proclamation. But it would definitely exclude Canada or any Canadian province from raising new money in the United States—quite apart from any action which might or might not be taken by the Canadian Exchange Control Board.

It is at Washington—not Ottawa—that Premier Duplessis should level his charges of financial autarchy.

* * *

Mayors Support Conditioning Programme

THROUGH its president, Mayor Lewis of Ottawa, the Canadian Federation of Mayors and Municipalities is urging on the Government the suggestion made recently in The Financial Post that some steps be taken to rehabilitate young men who are offering themselves for military service but who are being turned down because of malnutrition or minor physical defects.

In some districts only one man in three applying for enlistment in the army has been accepted. In most cases the reasons are malnutrition and poor physique rather than any serious impairment. A few months of physical training would overcome most of these handicaps, as has been proved by the high record of enlistments among young men who have already received youth training and reconditioning.

* * *

ONE project which lies immediately at hand for use by the Government is the training camps of the National Forestry programme. At the present time over 4,000 young men between the ages of 18 and 25 are being reconditioned and trained in small camps of from 10 to 27 boys each. They wear regulation uniforms and the neat yellow, brown and green insignia of N. F. P.

Dubbed "Rogers' Rangers" because the money to establish the camps came from the Department of Labor vote at a time when Hon. Norman Rogers was minister of that department, these camps appear to offer the nucleus of a sound economical plan for putting would-be recruits to useful work and to achieve their mental and physical rehabilitation. At a nominal cost they are doing invaluable work not only in forest conservation and protection but in constructive improvement and creation of tourist facilities in the north country.

A project of this sort adapted to wartime needs would provide a valuable reserve of man power from which to draw conditioned recruits in the future. Meanwhile these young men could be doing an important constructive public service.

Mr. Mackenzie Buys

(Continued from page 1)

thousands of dollars on such useless military paraphernalia as a fish pond, a manure pit, ornamental gates, greenhouses, garden walls, a chicken house, decorative shrubs, and a non-skid tennis court complete with wire-mesh fence?

The public will have little difficulty in making up its mind on some of these questions.

* * *

That is a sample of the way Canada's defense millions were spent under Mr. Mackenzie. In such transactions were certain individuals favored at the expense of the treasury.

With money being spent in this way, it is little wonder that the war found Canada without essential equipment needed either for peacetime or to meet an emergency.

The London Free Press says in editorial comment on previous articles in The Financial Post:

" . . . Mr. King will find, as did Sir Robert Borden, in the last war, that it will take eternal vigilance to prevent both war profiteering in purchases and patronage creeping in. All his ministers are not as high-minded as Mr. King, and it is human nature to favor your friends . . ."

"The Government cannot complain of the support it is being given. There has been no carping criticism in the country or the press. It will continue to get that support, but the public does not want to see mistakes, which were made in the last war, repeated. It wants no scandals, such as led to Sir Robert Borden reading two members of the House out of his party."

One way to ensure that patronage and mistakes will be finally eliminated is to remove from the Cabinet all men under whose direction, patronage and favoritism and unbusinesslike methods have flourished in the past.

The country looks to Mr. King to act on this matter without delay. Otherwise he must be accounted as approving the waste that has hampered our war preparations.

LETTERS ON DEFENSE ARTICLES

Appreciates Leadership

Editor, The Financial Post:

I have always valued your Financial Post very highly, and the last copy of Oct. 7, which I have just received, makes me an enthusiastic supporter, in view of your efforts to expose the unfortunate mismanagement of our affairs by certain spending departments at Ottawa.

The front-page article, entitled, "Ottawa Rents a Building," is the kind of material that should be brought to the attention of the public, and under war conditions, it is essential that there be some outspoken journal, who will take responsibility for at least attempting to clean up the sink holes in our national affairs. The whole system of government seems to be permeated with this kind of thing, and some concerted effort should certainly be made by intelligent business leaders to thoroughly check the expenditures of the various government departments, in order that we may have a clean, honest administration to prosecute this war on a basis of honesty and integrity, worthy of the men who are volunteering to fight our battles for us.

Your leadership in these matters is greatly appreciated by the writer, and it is my hope that in spite of any severe pressure that may be put upon you, you will continue in the good work, in order to dig it out of our system of government, root and branch!

GORDON JANES.

Toronto, Ontario.

Save Canada Millions

Editor, The Financial Post,

Your exposure of patronage and inefficiency in the awarding of defense contracts is a courageous and constructive thing.

I am convinced that your articles will bring such efficiency into our war purchases that they will save this country tens of millions of dollars.

Toronto. T. B.

Interprovincial Equipment Replies

Editor, The Financial Post:

In the issue of The Financial Post of September 16 in a front page article you made an open attack questioning the ability and qualifications of the then Minister of National Defense and cited as proof the giving of a contract to a "Dummy Company," composed of three insurance brokers and you created the impression that political influence played a part in the awarding of this contract.

It was with great indignation that we read this article and felt, at first, inclined to expose the falsity of the interpretation which would, undoubtedly, be placed on this, but on further consideration, decided to treat the matter with the contempt it deserved for we felt that this was no time to encourage any controversy which could in any way undermine public confidence in the administration of this department, its officers and head and especially because we questioned in our own minds the impartiality of the attitude taken.

Apparently encouraged by the mistaken silence with which this effort was received, The Financial Post has taken courage to enlarge on its insinuations, has named now the company involved and the principals of that concern.

To get into a controversy with a newspaper, a private individual is greatly handicapped, but the safeguarding of one's reputation for decency, honesty and unquestionable business dealings, forces a repudiation of the unfair and unjust inferences and the falsity of the insinuations.

Had The Financial Post been sincere and believed it had a just cause, it could have very easily obtained the fullest of information from any official of the Interprovincial Equipment Company as to operations of this concern, its assets, number of years it has been in operation, its manufacturing connections and affiliations, instead of employing a "Sherlock Holmes" to dig up dirt with which to besmirch the reputation and integrity of decent citizens.

Here are some facts concerning Interprovincial Equipment Company for your readers.

Organized in 1924 by A. E. Low and in operation ever since.

Owners of patent rights on certain articles, owners of dies, stock, and holding agencies for equipment in use and for which there is a constant demand.

Control of Interprovincial Equipment Company purchased from Mr. A. E. Low early in 1938, payment involving some thousands of dollars, running into five figures. Circumstances surrounding purchase would have been freely given.

Operates as an entirely separate entity and going concern with connections and affiliations with a metal-working plant equipped with the most modern machinery and meeting all requirements of Government inspection.

With this information would you ever have questioned the genuineness of this company?

Dealing with other statements in your articles, first, your insinuation as to political influence in regard to this contract.

No official of the Interprovincial Equipment Company ever got into contact with any officer of the Department of National Defense in connection with this contract, and never, at any time, has the Honorable Mr. Mackenzie been approached directly or indirectly, nor has this contract ever been discussed with him by anyone connected with the Interprovincial Equipment Company, either prior to or since the awarding of this contract.

The designation of this as a war or wartime munition contract is incorrect. It is a contract for supply of routine equipment, used in peacetimes in the training of aviators. A similar supply of these so-called . . . . . .* was purchased by tender in 1938 when no war conditions prevailed, nor was the present contract based on wartime equipment, for when the tenders were advertised for, no great apprehension prevailed for what followed four months later.

For your information, and your readers, the amount of this contract is approximately $30,000, the profits on which based on peacetime prices of material and labor could not possibly produce enough to pay expenses of the "Sherlock Holmes" employed by you. The very slight difference in price quoted by the Interprovincial Equipment Company and some others was a pure coincidence. We do not know today who the other tenderers were nor prices submitted by them. In the tender of the Interprovincial Equipment Company, it was stated that this equipment would be manufactured in an outside plant, as is the case with all metal equipment handled by us. We know as a matter of fact that had the order gone to some other firm, the very concern doing this work had been asked to manufacture and furnish parts used in the make-up of this article. This is a very common practice in manufacturing and sometimes it is only a question of assembling by the company awarded the contract.

It does seem strange that in the opinion of The Financial Post insurance men should confine their efforts to that particular calling, while others can be involved in many other business ventures, or is the crime in the fact that these insurance men should be public-spirited enough to interest themselves in their country's welfare, and particularly in support of policies which may not meet with the approval of The Financial Post? However, the insurance men in this case have saved money for their country and in fact given the Dominion Government a price considerably lower than the British Government pays for the identical article in much larger quantities.

It is indeed unfortunate that The Financial Post should lend itself to an effort which in our opinion is not very creditable. We leave it to the public to judge with the true facts before them if this was in the remotest sense a patronage or political contract, or whether The Financial Post donned that mantle of public-spiritedness in real sincerity or is it only a design to conceal their real purpose, namely to vent their political bias and partisanship spite on a Minister of the Crown? Their actions are hardly in accordance with the principles of British fair play.

In our minds it is very surprising to say the least that a publication such as yours, which prides itself on its loyalty and public-spiritedness should, in times such as this, cast such unwarranted reflections on a Minister of the Crown and a loyal and dutiful Civil Service, who are leading every effort to the successful termination of this war.

May I suggest that you publish this letter in full on the front page of your paper, giving it the prominence in block type that you gave the articles referred to.

Interprovincial Equipment Co.
Per ALF. D. STEWART.

Ottawa, Sept. 30, 1939.

*Deleted by editor for censorship reasons.

Editor's Note. No statement of fact, set forth in The Financial Post's article on this contract, has been challenged by Mr. Stewart in the above letter. The Financial Post repeats that it "leaves it to the judgment of the business community of Canada to say whether the placing of a war-material contract with a firm of insurance brokers who have no plant, at a price one cent below the bid of a recognized, well-equipped manufacturer, can be justified in sound business practice."

Mr. Stewart is a director of Stewart, Stewart and Plant, Limited, insurance brokers of Ottawa, and a former president of a West Ottawa political association.

Keep It Up

Editor, The Financial Post,

I hope you will not stop your series of revelations until the men responsible for these contracts have been driven out of public life. The militia men of Canada have followed your series with the greatest interest and are with you 100 per cent. Keep it up.

LIEUT. COLONEL

Toronto.

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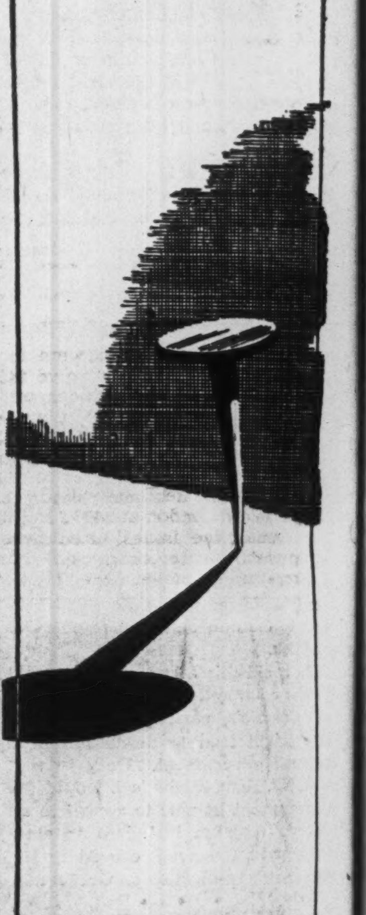
G.&W. Gets Right To Sue C.B.C.

Ontario Court of Appeal has ruled that Gooderham & Worts Ltd. can bring suit against the Canadian Broadcasting Corp.

The case dates back to a lease executed May 15, 1933, for radio station at Bowmanville, Ont., and owned by Gooderham & Worts. The company is suing the C. B. C. for specific performance of the lease and damages of $250,000 for alleged breach of covenants and conversion of property. The C. B. C. claimed that as an agent of the Crown it could not be sued. Mr. Justice Jeffrey had previously upheld the C. B. C. claim and set aside the writ served by Gooderham & Worts.

Now the Appellate Court has ruled that the action must proceed. Mr. Justice McTague, delivering the judgment of the court, said: "The question of liability is for the trial judge."



Even the humble Carpet Tack is a "Manufactured Product" in this industrial age. To fashion it from raw material, men, machines and money must be mobilized.

Whether you manufacture carpet tacks or clothes pins, baby carriages or rope—money to pay for labour, raw materials and to finance the marketing of the finished product, as well as to meet other seasonal needs, is available through your business.

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With automatic ejector	33.50
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Simpson's

Sterling - Pay Issues First For Repatriation

Early Start Possible on London-Held Dominion Obligations

Repatriation of British holdings of Canadian securities may start sooner than at first suspected, The Financial Post learns. But it is still apparently true that the exact method and mechanics of this move have not yet been worked out completely.

It is not known yet just what method will be used once the securities are back in Canada. For example, the Canadian Government might elect to buy the first issues to be brought back on its own account or it might decide that these should be re-distributed in the domestic investment market.

First issues to be marked for repatriation, The Financial Post learns, are likely to be Dominion obligations that are payable in sterling. These will be the easiest to handle and they are almost entirely held in Great Britain.

Save on Exchange

Actually it would seem possible for Canada to effect an important saving in bringing this debt back here. With the pound quoted at $4.42 in Canadian funds, market values for sterling payment Canadian bonds will show discounts from par values. For example, on Sept. 12, Dominion of Canada 4% registered stock and bonds, due Oct. 1, 1960, were quoted in London at 98; the 3½% registered stock, due July 1, 1950, was 99¼; and the 3¼% conversion loan bonds, due July 1, 1963, were 95. These prices include accrued interest in each case.

At present there are half a dozen direct obligations of the Dominion that are payable only in sterling and would apparently be the first issues to be repatriated. In addition to the direct obligations, there are three guaranteed issues. This does not include bonds payable as to interest and principal in Canadian as well as London funds but only those which are exclusively payable in sterling.

Dominion and Dominion guaranteed bond issues which are now outstanding and payable only in sterling include the following:

Issue:	Rate %	Due	Amt. Outstanding Dec. 31, 1938
Direct Obligations			
Inscribed stock	2½	Oct. 1, 1947	£1,004,422 ($4,888,185)
Registered stock	3½	July 1, 1950	£28,162,776 ($127,058,841)
Registered stock	3¼	May 1, 1955	£10,000,000 ($48,666,667)
Stock and bonds	4	Sept. 1, 1958	£15,000,000 ($73,000,000)
Registered stock & bonds	4	Oct. 1, 1960	£19,300,000 ($93,926,667)
Conversion bonds	3¼	July 1, 1963	£10,000,000 ($48,666,667)
Guaranteed Obligations			
C.N.R. guaranteed debenture stock	2	By Drawing	£4,592,719 ($22,351,232)
Candn. Northern debenture stock	3	July 10, 1953	£1,923,287 ($9,359,996)
Candn. Nor. Ont. debenture stock	3½	May 19, 1961	£7,033,561 ($34,229,997)

If all of these issues were to be repatriated, it would involve $406,207,027 in direct obligations of the Dominion and $65,941,225 in guaranteed issues, a total of $472,148,252. The Dominion's statement of assets and liabilities as at March 31, 1939, shows funded debt and treasury bills payable in London at $406.2 millions.

Among the issues listed here as probably to be concerned in any repatriation moves, the 2½% inscribed stock was issued in 1897 and is free from British Stamp Duty, as are all of the direct Dominion obligations. The 3½% registered stock, due July 1, 1950, is redeemable at par at the option of the Government on six months' notice after July, 1930. The 4% stock or bonds, due Sept. 1, 1958, are redeemable at par on three months' notice after Sept. 1, 1953. This issue was sold in 1933.

War Calendar

In continuing to organize Canada's war effort, the Dominion Government:

Passed Orders-in-Council:

Approving British war risk insurance for British ships registered in Canada.
Setting up personnel re internments.
Requiring ships registered in Canada to secure licenses for movement.
Setting up agricultural supplies committee.
Requiring prescriptions for certain narcotics to protect war needs.
Excluding enemy aliens.
Creating Committee of Public Information of three persons.
Empowering war supply board.
Declaring certain services "essential" to aid civil authorities in protection.
Empowering R. C. M. P. to institute searches.
Disallowing limitation of actions act, 1935-9.
Extending Defense Purchasing Board until War Supply Board organized.
Allowing requisitioning of ships and airplanes.

Appointed:

Foreign Exchange Control Board: D. B. Mansur, asst. to chm. i/c special enquiries and problems of business; P. J. B. Lash, W. D. Matthews, L. A. Wilmot, associates. Import and export trade: W. L. Gordon, N. W. Mackenzie; Donald Gordon, Deputy Governor Bk. of Canada, adviser. Canadian subsidiaries of foreign firms: Allan Gibbons. Securities and investments: D. R. A. Walker, Alistair Campbell; C. E. Fairweather, J. de Pencier, associates; K. A. Henderson, W. B. Watson, Bank of Canada, advisers. Administration & co-ordination: L. P. Saint-Amour, asst. deputy governor Bank of Canada, D. G. Marble, sec., Bank of Canada. General organization: H. R. Extence, E. Fricker, Bank of Canada. Foreign exchange: Sidney Turk, Bank of Canada; H. L. E. Priestman, B. A. Macdonald, assts. Secretary: J. E. Coyne, Bank of Canada; R. H. Tarr, asst. sec. Adviser: Alex. Mcd. McBain.
Hides and leather administrator: Maurice Samson.
Committee of public information: George Hamilton, publicity.
War Supply Board: C. E. Gravel.
Delegate to war parley: Thomas A. Crerar.
To command 1st overseas division: Maj.-Gen. A. G. L. McNaughton.

Defense Purchasing Board called tenders for:

Dredging and construction, torpedo repair and maintenance bldg., R.C.A.F., Patricia Bay, B.C.
Five hangars, R.C.A.F., Dartmouth, N.S.
One hangar, R.C.A.F., Saint John, N.B.
Two hangars, Sydney, N.S.
Two hangars, Patricia Bay, N.S.
Steam heating for hangars, R.C.A.F., Camp Borden, Ont.
Operating quarters, Point Grey, Vancouver.
Wood barracks, Petawawa military reserve, Centre Lake, Ont.

War Effect on Foreign Trade

(Continued from page 1)

of those dealing with the United Kingdom, trade which accounts for around 40% of Canada's export. Immediately following declaration of war, Great Britain posted a long list of commodities and manufactured products for which licenses had to be secured before import was permitted. Purpose of the licensing was to conserve foreign exchange and admit only those imports considered essential.

Definition of "essential" and "non-essential" is still anything but clear. At present, for instance, Britain permits the entry of a certain type of bookkeeping machine as "essential" but prohibits cash registers as "non-essential." Many manufacturers are in the same predicament. On the other hand, expectation is that many items now classed as "non-essential" will move over to the "essential" list.

Complete, if probably temporary, chaos is the result for producers in these categories.

Hits Specialties

The main class of goods to be affected by the British import licensing system are the specialty manufactures which largely have been brought to a high productive efficiency by the high standard of living on this continent. Especially concerned in this group are some of the branch plants of U.S. firms which have established in Canada usually to enjoy Empire tariff preference. Also affected are some firms canning certain fruits and vegetables, fish and poultry.

Hence, while Canada's volume of trade with the United Kingdom is likely to rise during war because of war supply shipments, it will be trade of a different kind. With peace, there is every reason to believe, however, that the former type of trade will be restored.

Main new markets which may be opened up or in which ground may be gained are South America and in the various Dominions of the Empire.

South America Promising

South American trade prior to the war was about 70% in the hands of Great Britain and of Germany. War virtually closes this market to both countries. United States is making big plans to capture the South American market but Canada already has good trade contacts there, has a currency advantage over U.S. shippers and trade officials think our South American trade can be materially enlarged. In recent years our main products to South America have been paper and its products, farm machinery, rubber tires and other rubber manufactures, sewing machines, wheat, metals and their manufactures.

Germany is still hoping to retain an important part of its South American market by shipments through Italy, but this is regarded as rather a forlorn hope.

The Dominion Government has already taken action to protect the peacetime markets of the Canadian producer. So far, positive action with regard to manufactures is lacking, but department of trade and commerce officials and other bureaus fostering trade are already seeking to develop alternative markets.

Shipping has been seriously disrupted since the outbreak of war. A goodly proportion of Canadian trade prior to war has been handled by ships of nations now neutral. On the outbreak of war, most of these immediately refused to handle cargoes between ports of belligerent nations. In some cases, cargo was discharged after loading without the consent either of consignee or shipper. This widespread breaking of contracts threw shipping into chaos. British shipping was also seriously disturbed until the Atlantic convoy system went into operation a fortnight or so ago.

It is the belief that the situation will now improve and that there will be ample shipping to handle an expanding Canadian export trade. Neutral shipping is beginning to show some inclination to take cargoes from Canadian ports to a neutral port. It is considered doubtful if the U-boat campaign is likely to have serious effects along the Atlantic coast to South America, for instance. And so far, Pacific sealanes for shipping from Canada to Australia, for instance, have not been threatened at all.

Freight rates have generally doubled. Generally speaking, shipowners have cancelled all contracts on the outbreak of war, reinstating them at an advance in freight costs of around 50% or more. In most cases, these advance costs are paid by the consignee anxious to get his goods before another freight rate increase came along.

In 1938 Canada's aggregate volume of exports, as computed by the League of Nations, ranked fifth among all nations of the world while our imports were seventh.

In 1937 Canada ranked first among the world's trading nations in newsprint exports, fourth in automobiles, second in wheat, third in rubber tires and wheat flour, and fourth in wood pulp.

Now we find this trade with other nations operating under an entirely new set of circumstances. It is a new thing for this generation of Canadians to have to obtain a permit from Government authorities to import or export any goods from this country. It is not nearly so new, however, to many other countries of the world which have been operating for the past decade under various measures of control and restrictions. This is one important example of how conditions in 1939 differ from those of 1914.

When the Foreign Exchange Control Board started work the middle of last month, one of its first moves was to require all importers and exporters of goods, money, securities or capital to obtain licenses on the multitude of forms which had been printed and held in readiness. The first reaction closely resembled consternation but now we have found that we can operate under the new set of conditions with reasonable facility.

When war broke out in 1914, the Canadian Government did not take any immediate steps to place any such controls in effect as was the case in September, 1939. The War Measures Act, passed during the short war session of parliament in August, 1914, gave to the Governor-in-Council authority to control among other things:

Harbors, ports and territorial waters of Canada and the movements of vessels;

Transportation by land, air, or water and the control of the transport of persons and things;

Trading, exportation, importation, production and manufacture.

But it was not until the war had been in progress for some time that many of these powers were used. Food control in Canada started June 16, 1917, and up to the end of 1918, the Canada Food Board issued 12,136 import permits and 14,761 export permits. In March, 1919, the Canada Food Board was dissolved and its functions relating to licenses for exports and imports transferred to the Canadian Trade Commission. Wheat marketing was under Government control from June, 1917 through the 1919 crop season. Fuel supplies were directed by a Fuel Controller from July, 1917 until 1920.

War Trade Board

Other measures of control over Canada's foreign trade were exercised by the War Trade Board, established on Feb. 9, 1918. Powers of this board were to direct the issue of licenses for exportation and importation, to supervise all industrial and commercial enterprises and act on other matters.

Thus, it is seen that Canada's foreign trade was regulated and controlled in the 1914-18 war period although control measures were not instituted at the beginning as now.

Ever since the announcement of the Foreign Exchange Control Board on Sept. 16, all exports or imports of goods have required licenses. Various types of licenses have been available to answer different needs. In the first regulations it was required that all goods exported from Canada should be invoiced in the currency of the country of destination. This brought forth protests from exporters and has now been modified to make it possible to export goods quoted and invoiced in Canadian funds. Exporters claimed that the former method made them of necessity speculators in foreign exchange, a matter outside of their regular business and likely to stifle the business.

Exchange Decline Helps

The decline in the Canadian exchange rate as compared with the U. S. dollar, for example, should be a factor in aiding this country in competing in export markets of the world, including the U. S. Certainly under all ordinary circumstances, such a move would be expected to stimulate exports and add to the "favorable" trade balance. How far this will be offset by a greater demand for imports to Canada remains to be seen.

At present, prevailing rates from Canada to various parts of the world by sea compare with pre-war rates as follows:

	Rise %
To and from United Kingdom	33⅓
To Baltic ports	50
From Baltic ports	100
To Swedish ports	100
To and from The Orient	20
To and from Australia and New Zealand	25

Insurance costs are another source of trouble. It was quite natural for insurance companies to raise their rates for war risk insurance when the German submarine campaign started. This was partly countered by British action in organizing the War Risks Insurance Office to handle risks on British shipping. This has meant important savings in insurance costs.

Supply of Shipping

Supply of shipping is a question that is interesting many exporters at present. This may be made more serious if the proposed neutrality legislation now before the U. S. Senate is passed in its present form. This legislation would prohibit U. S. ships from coming to Canadian ports except on inland waters.

For the most important of Canada's shipping routes however, there seems to be reasonable assurance of adequate shipping facilities which should be made more certain when the talked-of shipbuilding programme gets well under way. To the West Indies, South Africa and Europe, there are established British or Canadian lines that are giving service now. To Australia and New Zealand, U. S. lines at present give faster and better service than others. There was a move under way to establish a new direct service to these Dominions before the outbreak of war but this is hardly likely to go through at present.

South America

It is possible that Canadian exporters may be able to add to South American sales but perhaps not as fast as hoped. For one thing almost all of the large South American trade to Germany was on a barter basis because neither Germany nor the South American countries had any cash. But Canada is not likely to sell on a barter basis. We will want cash and probably a letter of credit to assure prompt payment. Few of these countries have cash with which to pay for imports at present, however, and this trade may disappoint for perhaps a year.

Producers of foodstuffs and raw materials in South America, like Canada and other parts of the Empire, seem assured of a market for their output now.

Agencies Active

What agencies are there for opening up new markets to replace interrupted sources of supply in other countries? There is still the Dominion trade and commerce representatives in many centres. Also the Canadian Manufacturers' Association has been active.

Many enquiries about Canadian capacity are coming in. A Mexican buyer of a special type of bottles for displaying wines has been after Canadian supplies and has been directed to the appropriate source. From the West Indies has come other enquiries. South America has sent enquiries for milk cans and other sheet metal products. A malting company is reported to have received anxious enquiries for supplies from former customers who had not been heard from for years. These are only a few examples of what is already taking place since the outbreak of war. The trade is there if we can supply it.

Not All Favorable

It is true, however, that not all the early reaction to the war has been favorable. For example, an important maker of office equipment in Canada which depended on export trade to keep its Canadian factory going has found its markets dislocated. For this company it is a problem very difficult to solve and which could conceivably result in closing the Canadian plant, a branch of a U. S. concern unless conditions improve.

Exporters of automobiles from Canada are said to be disturbed. Most factories in this country are aided by Empire preferences to export to Australia, New Zealand, India, South Africa and other parts of the Empire. In New Zealand already restrictions have been placed on the use of gasoline and it is feared that Australia will follow.

Think It Over During Quiet Days

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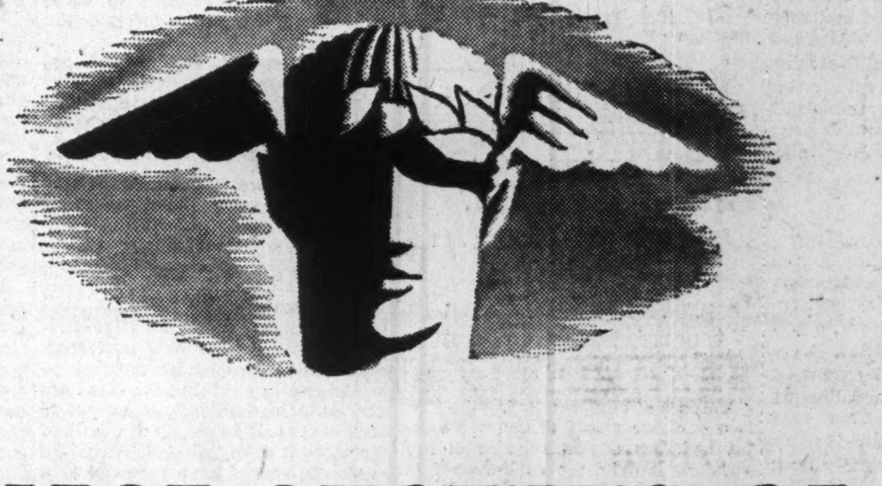

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The New MERCURY 8 for 1940

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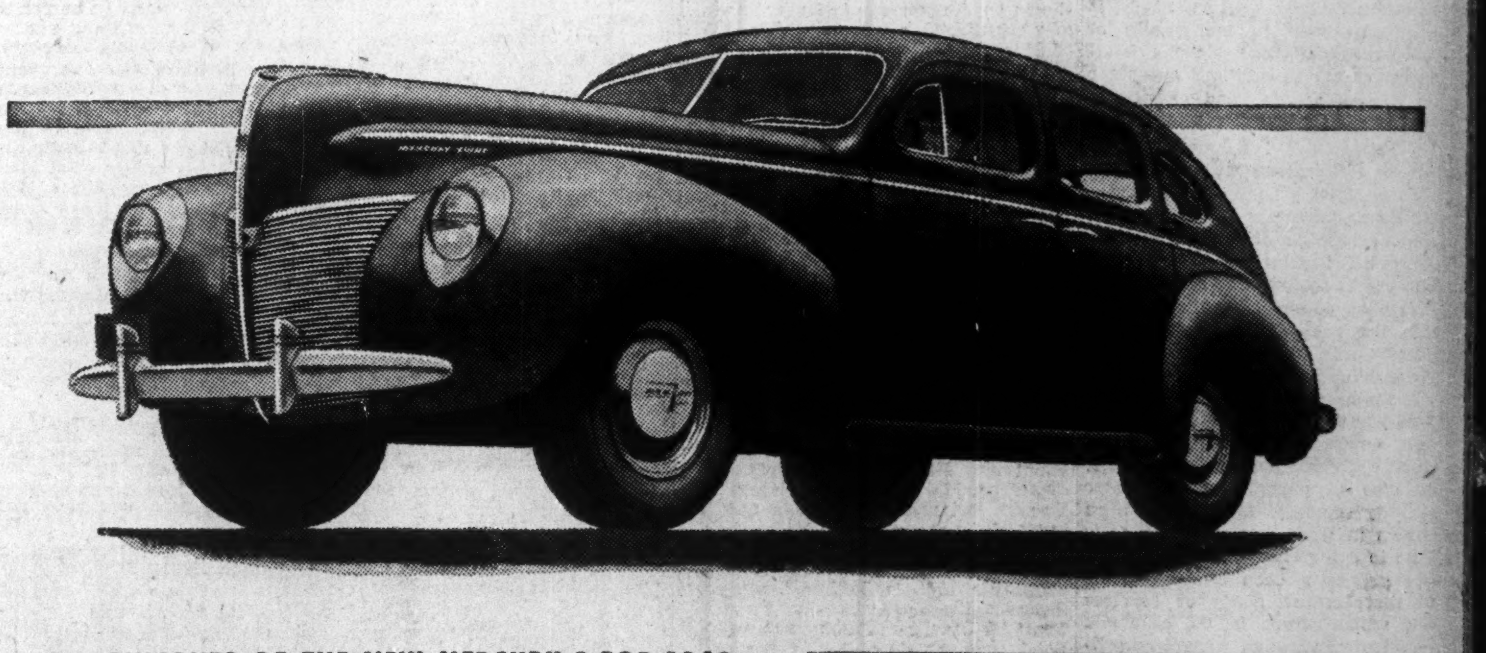
The 1940 Mercury 8 is a brilliant successor to that record-breaking car. It offers many refinements that make it an even greater value. With every advantage that you'll find in any car of this big-car class—it has something more: ECONOMY that would be surprising in *any* class!

Distinctive new streamlines should again earn the Mercury the title of "Style Leader" in its class. Attractive new interiors enhance the pleasure of riding or driving. New Finger-Tip Gearshift is mounted on the steering column. New seat construction and softer front springs add to the unique comfort of the "Mercury Ride." More than twenty other improvements reflect the character of Mercury design—emphasizing the fundamentals of safety, comfort and performance.

We invite you to look at this greater Mercury 8—critically. Feel the way it rides and drives under all conditions. Any Ford dealer will be glad to give you all the time you want with this great new car.



HIGHLIGHTS OF THE NEW MERCURY 8 FOR 1940

Finger-Tip Gearshift—*on steering column.*

Controlled Ventilation—*all-weather comfort.*

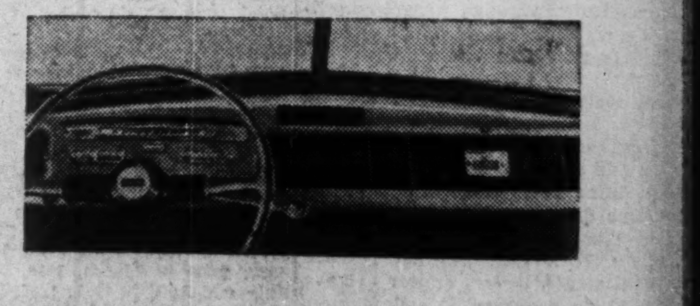
95-hp. V-type, 8-cylinder Engine—*smooth, powerful, supremely efficient. (Owners report 20 to 25 miles per gallon of gasoline.)*

Wide, Roomy Bodies—*seat six in comfort.*

Big Hydraulic Brakes—*quick, straight stops.*

New Sealed-Beam Headlamps—*for greater comfort and safety in night driving.*

New Blue and Silver Tone Interiors—*eight beautiful body colours.*



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Investment Trends

Market Now Waiting For Renewed Stimulus

Hints of Peace Suggest Possibility of Another Period of Re-adjustment Before Orientation to War Has Been Completed

Whatever may be the reason, stock markets appear to be waiting for a renewed stimulus before making any real test of highs reached toward the end of September.

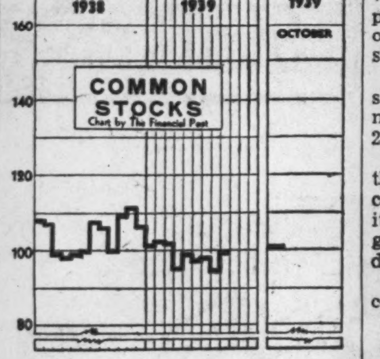
There has been another outbreak of speeches by national leaders abroad, reminiscent of the numerous crises that preceded the actual outbreak of war. Veiled hints have been current that perhaps the war will end much sooner than popularly expected.

In reality this would be a constructive happening, provided always that peace could be achieved without sacrifice and on some basis that could confidently be regarded as permanent. But it would mean another period of readjustment almost before there had been an opportunity to work out a satisfactory procedure under war conditions.

It has been suggested more than once in this column that there would be much reappraisal of outlook as war developed under modern conditions. This now seems to be the case.

It had been confidently predicted that raw materials would rise in price rapidly. This took place for a few weeks, but latest tendencies have not been toward much higher levels. It had been predicted that Canadian industry would be spurred immediately into feverish activity to meet Government needs. This has hardly been the case so far, but there is no reason yet to deny the likelihood of such a condition, only given a little patience.

This war has already demonstrated that it will not be over right away. Caution, perhaps too much caution for many amateur observers, is the watchword, but this only means the need for more patience.



For the past five weeks stock markets on this continent have made little or no progress. This can apparently mean one of two things. Either it is a period of consolidation after the rapid advance of early September, or it heralds a new attempt to break out of the indefinite up and down moves.

There has not been much sign of strength in any attempts to exceed the highs of September. It is usually true that a market that cannot go up will go down instead and this suggests the possibility of some sizeable reaction that would test the support around the 112 level for the Toronto Stock Exchange industrial index, just about where stocks held for several weeks in July and August.

* * *

Industrial Activity

Also worth remembering is the admitted fact that sales and orders for many lines of goods, particularly consumer lines of foods, clothing and household articles, were stimulated to an unusual extent by fears of a sharp price rise following the outbreak of war. This very feverish buying contributed much to what price rise has actually been seen.

But stocks of goods in consumer hands and in the hands of retailers and others has been built up well above pre-war levels. Unless these goods move into actual use soon, there must inevitably be some slackening of orders and therefore of industrial output for the home market.

It is generally admitted that this stocking up has not reached unsound levels and that it is merely departure from the hand-to-mouth buying habits of depression years when the general trend of prices was downward. If stimulus to buying power and consumption comes soon enough, there will not be any harmful effect. In Canada we still have to feel the real result of fall buying stimulated by a considerably larger and more valuable farm crop. It is true that prices show little sign of reaching the levels of optimistic prophecies of a few weeks ago, but they are still such as to give an important stimulus to business.

* * *

Careful Selection

Finally, it is time to emphasize again the necessity of discrimination in buying stocks now as never before. Events have already demonstrated that preconceived conceptions of war's effect on business need revising.

It seems worth while again to suggest that some of the neglected stocks in the early price rises may be worth considering as less subject to false starts and consequent reactions. Until there is more concrete evidence of what is going to be stimulated by wartime needs, it might be well to look again at companies catering to the evident improvement in ordinary consumer buying power and generally stronger price levels.

* * *

Stock Exchange Advertising

New York reports indicate that the Stock Exchange is likely to start on a campaign of what might be termed institutional advertising. The object would be to acquaint the investing public with the services that the exchange can offer — in other words, to sell the Exchange to the public.

It has been clear for many months that something had to be done to find new sources of revenue for stock exchanges and their members, or else to curtail costs. Greater activity seems so far to have been shown in curtailing operating costs than in going after new business. It has generally been found possible to merchandise goods or services for which there is an economic justification through recognized selling methods, one of which has for a long time been advertising.

It is thus quite logical to suggest that stock exchanges, not only in New York but also in Toronto and Montreal, could do something either to find a new group of customers or to bring back those who have become discouraged by long years of investment adversity. While the New York plan has not reached final stages, it does appear to have much to commend it and features that Canadian exchanges and their members could well afford to study and adopt.

Ont. Silknit Co. Sales Turn Up

Improvement Is Shown in Operations in Current Year

Volume of business during the past two or three weeks of Ontario Silknit Ltd. has shown substantial improvement over the earlier part of the year The Financial Post is informed.

Business conditions in the first part of the year were difficult, but it is understood that considerable improvement was experienced during the first nine months of the year, compared with the corresponding period in 1938.

The English and Australian subsidiaries have also shown improvement in operations.

Outlook at the present time is considered brighter, although much depends upon continuance of the trend in evidence in the past few weeks.

In the year ended Dec. 31, 1938, the company reported a net loss of $158,398, compared with a net profit of $16,211 in 1937.

Can. Bakeries Plan Offered

Meeting Called to Consider Reorganization Proposals

Notice has been forwarded to shareholders and bondholders of Canadian Bakeries Ltd. that a special meeting will be held Oct. 30, to consider a plan of readjustment of the company's capital structure.

The plan calls for elimination of arrears on the company's preferred stock, which have accumulated since June 12, 1931, on the first preferred, and since Aug. 31, 1930, on the second preferred. At Aug. 31, arrears on the first preferred totalled $57.50 a share, and $63 a share on the second preferred.

The present capitalization of the company and the capitalization that is proposed to shareholders compare as follows:

Outstanding Capitalization

	Proposed $	Present $
6½% 1st mtge.	555,100	569,700
5% pref., $100 par	913,000	......
7% pref., $100 par	......	913,000
7% 2nd pref., $100 par	......	1,000,000
Common, n.p.v.	99,890 sh.	20,000 sh.

Dividend Reduction

In addition to cancelling all arrears dividend rate on the first preferred stock will be reduced to 5% from 7% and dividends will accrue from Sept. 1, 1939. Shares outstanding will remain the same.

The 10,000 second preferred shares will be subdivided into 97,390 common shares of no par value. Of these shares 27,390 new common shares will be turned over to the new first preferred shareholders and allocated on the basis of three new common shares for each first preferred share.

The 20,000 outstanding class A shares, on which dividends were never paid, will be converted into 2,500 new common shares.

Surplus created by reduction in the stated value of the capital account, together with the $50,000 capital surplus, will be used to write goodwill to $1 and eliminate the deficit account.

Various stockholders would receive following for their shares:

Each 7% preferred share would get one new 5% preferred share and three new common shares, of no par value.

Each second preferred share would get seven new common shares.

Each present common share would receive ⅛ share of the new common stock.

Participating Rights

In addition to the cumulative dividend of 5% on the new preferred, shareholders would be entitled to participate in anything the directors distribute in dividends in excess of preferential dividend, to one half of the amount so distributed. When the preferred shares have received $2 a share the participation terminates.

The new preferred would receive only a premium of $5 a share in the event of liquidation or redemption, compared to a premium of $10 on the present 7% preferred. Changes are also made relating to further issue of preferred shares and the sinking fund for redemption of the shares.

It will be necessary to obtain the consent of bondholders at the meeting, in order that the trust deed may be altered to permit enactment of the arrangement. Under the present trust deed the company cannot pay dividends or redeem for purchase shares if net tangible assets are less than $2 millions.

The company's annual statement for the year ended Aug. 31 is reviewed under annual reports.

Investment Notes

Humberstone Shoe shareholders were told by H. H. Knoll, president and general manager, at the annual meeting that so far as he could determine conditions which lowered profits in the year ended July 31, 1939, were not likely to reoccur in the present year, and that he considered prospects for business fair.

* * *

Hamilton Bridge — Contract for structural steel to cost $104,000 for a bridge has been awarded to the company by the City of Hamilton.

* * *

Eastern Steel Products — Recent upturn in sales has given ground to hope that the year ending Nov. 30, 1939, will show a sales volume of $2.3 millions, as compared with earlier estimates of sales of around $2 millions, approximately equal to the preceding year. Earnings should be higher than the 46 cents a share shown on the common last year and may even justify a common dividend of $1 a share, it is reported.

* * *

S.E.C. report of security transactions for the first part of September contains the following of Canadian interest.

Distillers Corp.—Seagrams—Brintcan Investment Ltd., June, 1939, as beneficial owner held 702,831 common, and increased 5% preferred with warrants 1,500 to 29,650. Allan Bronfman, officer and director, increased common 163 to 164; through holding company in which his proportionate interest was not shown, received 163,500 through distribution holding that amount; and is indirect owner through Brintcan Investments, as above, and through Bronfman Family Trust in which his proportionate interest is not shown. The Bronfman Family, as beneficial owner, held no shares directly; through Brintcan Investments Ltd., in which its proportionate interest is not shown, distributed all of 702,831 common and 28,150 5% cumulative preferred; and is indirect owner through Bronfman Family Trust. Trust for Bronfman Family, as beneficial owner, decreased common holdings 440,000 in Dec., 1937, and distributed all 265,332 common and 1,500 5% preferred in June, retaining none. Harry Bronfman, acquired 73 common through distribution in June, holding that amount; through Brintcan Investments Ltd., acquired 140,000 common in Dec., 1937, holding 702,831 at the end of Oct., 1938, and also through Brintcan Investments Ltd. acquired 9,650 5% preferred in Nov., 1936, 3,500 in Dec., 1937, 5,000 in March, 1938, 5,000 in July and 5,000 in Oct., 1938, holding 28,150 at the end of that month; as of June, 1939, was indirect owner through Brintcan Investments Ltd., as above, proportionate interest not shown; through General United Securities Co. decreased common 8,500 in Dec., 1935, 5,000 in July, 1936, 10,000 in Dec. and distributed all 156,500 in Dec., 1937; through Mercantile Holding Ltd., in which his proportionate interest is not shown, distributed all 248,832 common and 1,500 5% preferred in Dec., 1937; through Bronfman Family Trust, proportionate interest not shown, received 405,332 common and 1,550 5% preferred through distribution in Dec., 1937, and disposed of 140,000 common in the same month, holding 265,332 common and 1,500 5% preferred at the end of Oct., 1938; as of June, 1939, was an indirect owner through Bronfman Family Trust, as above; through holding company B, proportionate interest not shown, received 163,500 common in June, 1938, holding that amount; and through holding company C, proportionate interest not shown, received 40,800 common in June, 1939, holding that amount. Samuel Bronfman, officer and director, in June, 1939, received 133 common through distribution, holding 134; received 163,500 common through company B (proportionate interest not shown) and is indirect owner through Brintcan Investment Ltd., as above and Bronfman Family Trust as above.

Hiram Walker - Gooderham and Worts—T. H. Gibbons, director, holds 115 common shares and acquired 100 preferred holding that amount.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	264.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Aug.	108.6	11.1	76.0	147.9	60.1	180.5	117.7	121.6	56.8	84.3	40.9	94.2
Weekly Figures:												
Sept. 7 .	125.5	15.6	92.7	161.6	64.0	179.4	107.7	135.6	53.5	81.1	41.0	102.3
Sept. 14 ..	132.9	18.5	101.4	166.2	71.3	168.2	105.9	146.1	53.5	78.6	41.1	99.9
Sept. 21 ..	133.0	18.9	98.9	165.3	71.4	156.6	108.2	143.7	52.1	72.2	39.7	96.3
Sept. 28 ..	141.3	22.1	104.9	167.1	75.3	174.4	112.2	154.4	54.5	76.3	43.3	100.1
Oct. 5 ..	141.7	21.3	104.3	170.0	76.2	174.2	115.1	152.9	56.1	79.2	44.6	101.0

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Oct. 10	121.47	107.09	89.32	34.59
Oct. 9	Holiday			
Oct. 7	120.51	105.71	89.08	34.70
Oct. 6	120.97	105.09	89.65	34.57
Oct. 5	120.30	104.89	88.33	34.58
Oct. 4	118.81	104.79	88.27	34.49
Month ago ..	119.45	106.57	93.76	28.48
Year ago	125.62	122.42	98.84	32.98
High, 1939 ..	125.92	128.95	104.12	45.00
Low, 1939 ...	97.75	100.35	79.59	21.07

Montreal Stock Exchange Averages

	10 Util.	30 Ind.	30 Cbd.	10 Pprs.	15 Golds
Oct. 10	64.0	86.0	79.2	137.43	96.04
Oct. 9	Holiday				
Oct. 7	63.8	86.2	78.7	133.76	94.53
Oct. 6	64.6	87.2	79.7	138.35	95.12
Oct. 5	63.6	87.2	79.3	133.64	93.02
Oct. 4	62.8	85.4	77.9	131.26	92.04
Month ago .	59.0	87.2	77.8	120.98	91.99
Year ago ..	67.9	85.4	79.6	140.65	124.95
High, 1939..	70.1	88.3	79.7	146.40	125.48
Low, 1939 ..	55.9	63.2	63.7	50.78	86.66

Market Opinions

Hints of caution become noticeable in comment on the United States stock markets, apparently based on fears of a let-down in rate of business recovery.

Barron's, The Trader, New York—"It is easy to conclude that boom in business is coping with an enigmatical market inertia. Yet the caution displayed with respect to stock commitments, as manifest in the lowest ratio of borrowing to total security values on record, prevails just as strongly in business. Scepticism in Wall Street and in business is healthy, but it cannot obscure the underlying significance of rising business and profits."

* * *

Brookmire Counselor, New York—"While surface perplexities are taxing patience, the underlying recovery is plowing right ahead. Peace, could it be achieved, would probably bring only a temporary adjustment in some directions before the basic uptrend would be resumed. However, the peace drive appears likely to have a difficult road to travel. The policy of maintaining portfolios well balanced in stocks that have the combined appeal of recovery - war - inflation continues sound."

* * *

Barron's, New York (The Dow Theorist)—"The situation is one of those where the Dow theory is of little help. . . . Disregarding the Dow theory, the decline in the industrial average already looks like a substantial secondary correction, while the rails appear on the chart to have had only a minor decline. All of which suggest that this is a case when Dow theorists should remember Charles H. Dow's warnings not to 'construe any rule too strictly,' but instead to try to 'comprehend the tendency to events.'"

* * *

Journal of Commerce, New York (Jules I. Bogen)—"The question is now being asked by many whether the nearer-term effects of the outbreak of the present type of European war have been overdiscounted in industry. If this proves to have been so, a considerable decline in business activity may be witnessed early next year, as orders now on the books are filled and buyers begin to think in terms of pruning, rather than expanding, inventories. In the meanwhile, until the answer to this question becomes clearer, the financial markets may well continue to fluctuate irregularly, largely ignoring the extremely favorable character of current news from industry."

* * *

The Magazine of Wall Street, New York — "Until we see convincing evidence to the contrary, our opinion will remain that the war, the domestic business recovery, and the underlying upward trend of the market will continue; and that ownership of sound stocks will continue more attractive than liquidity."

* * *

The Annalist, New York — "The immediate outlook for stocks appears to depend largely upon developments in Europe. It is curious that a continuation of the war is now regarded as making for higher prices although in August fear that war would develop was given as an explanation of the market's decline.

"It seems probable that if the war should terminate or if there should be a prolonged armistice the effect upon general business activity would be temporarily a depressing one."

U. S. Investment Counsel Selects Canadian Stocks

Recognizing that Canadians are barred from access to the United States investment field while present regulations remain in effect, Investment Letters Inc., Detroit stock market and advisory service, publishes for Canadian clients this week a list of Canadian stocks which it feels are "relatively attractive, as among Canadian issues for purchase or retention as an inflation hedge against cash or bonds during the continuation of the war."

It is recommended that speculative selections be confined to 25% of total purchases. This is in line with this firm's regular policy. Regarding the stocks mentioned, it is said, that "these selections, involving companies whose earnings are directly or indirectly influenced by war, are based upon the assumption that the European war will continue for at least another six months."

The recommendations by Investment Letters Inc. follow:

Investment-Grade Issues

Aluminium, Ltd.: This stock appears to be overdepressed at current prices of around $111. It is very doubtful as to whether the new Canadian tax laws can prevent this company earning, after taxes, $15 per share or more during any year that war is in progress.

Canadian Bank of Commerce: This stock is suggested as a more conservative investment in Canada. With the increased demand for credit and higher interest rates, this company's earnings should be able to expand to well above the current dividend rate of $8 per share and this stock should be able to climb up above its book value of about $170 per share. Its current Canadian price is about $154.

Consolidated Mining & Smelting: This important producer of both nonferrous metals and chemicals should experience a rather substantial increase in earnings with continuation and expansion of war demands. This stock sold as high as $100 in 1937, as compared with the current price of approximately $50. We tentatively estimate that this company has an earning power under the new tax laws, and under war conditions of demand, of at least $6 per share.

International Nickel: This stock, at $45, also appears to have been overdepressed as a result of price controls and the prospect of higher Canadian taxes. At worst, the new tax law will absorb only a part of the increase in earnings which appear to be in prospect as a result of war demands. Next year's earnings can tentatively be estimated at somewhere between $4 and $5 per share, again assuming the continuation of the war.

Steel Co. of Canada: This company will probably continue to be the recipient of capacity business as long as the war continues. On the basis of its present capacity this company should be able to again develop an earning power of at least $8.10 per share reported for 1937. With such earnings, the stock seems attractive at current price of $84.

Speculative-Grade Issues

Canadian Pacific: With any increase in heavy industrial activity in Canada, this road is bound to have a very substantial increase in its traffic. Earnings next year could run up to somewhere between $1 and $2 per share. This stock is currently selling at about $7½.

Dominion Steel & Coal "B": This company was drastically reorganized a few years ago and now appears to have a potential earning power on its common stock of somewhere between $3 and $5 per share. On this basis this stock appears to be very attractive at current prices of $15.

Massey - Harris Preferred: This company is in a strong current position and it is expected that cash assets will increase sharply because of the improvement in the buying power of the Canadian farmer. Earnings on this preferred issue, selling at $52, amounted to $8.81 per share in 1938 and should be somewhere between $5 and $8 per share during the current fiscal year. This preferred carries a cumulative $5 rate but dividend arrears now amount to over $40 per share. If the war should continue a year or longer, this company should be in a position to resume dividend payments and might make some payments on the arrears, probably in a new issue of preferred.

National Steel Car: This company has quite recently expanded its interests in aircraft and munitions manufacturing. While it will be subject to rather heavy taxes, its earnings prospects appear to be very substantial, possibly as much as $10 to $15 per share. This stock is currently selling at $64.

Price Brothers: This stock can be considered primarily as a speculation in the rapidly improving paper industry. The Canadian paper companies are currently being offered all the business they are willing to accept at the current price level and it appears to be only a question of time before newsprint prices will be raised. Potential earning power appears to be somewhere between $2.50 and $3.50 per share. The current price for this stock is about $20.

Statistical Data

	—Annual Earnings— 1937 $	1938 $	*Under War $
Aluminium, Ltd. ...	10.75	14.42	15-18
Candn. Bk. of Com. .	8.95	8.16	10-12
Cons. Min. & Smelt.	4.50	1.90	6- 7
Inter. Nickel	3.31	2.09	4- 5
Steel Co. of Canada	8.10b	5.65b	8-10
Canadian Pacific ...	0.30	d0.32	1- 2
Dom. Steel & Coal "B"	1.56	1.19	3- 5
Massey-Harris Pref.	8.63	8.81	5- 8
National Steel Car ..	9.27	3.59	10-15
Price Brothers	0.28	d0.62	2½- 3½

(b) — Before Preference participation. Allowing for such participations, earnings become $5.81 per share for 1937 and $4.24 per share for 1938.

*Estimated.

Canadian Control Mooted For Boeing Aircraft

From Our Own Correspondent

VANCOUVER.—There is a strong probability that important developments will take place in the aircraft industry on this coast. Boeing Aircraft of Canada is at present the only company building planes, and it is now finishing a contract for Blackburn Shark light bombing craft.

There has been talk of a reorganization of this concern to place ownership entirely in British or Canadian control. At present the Boeing organization of Seattle holds majority interest in the company's Vancouver plant, and while this condition prevails it cannot share fully in war orders.

Prospectus of Canadian Investment Fund, Ltd. obtainable from your own investment dealer.

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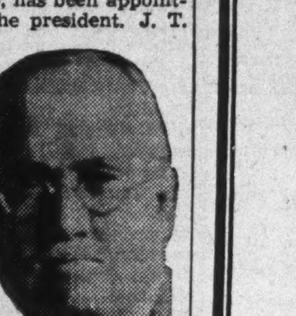
C.M.A. Promotes Senior Executives

J. T. Stirrett Succeeds J. E. Walsh as General Manager

J. E. Walsh, general manager of the Canadian Manufacturers' Association since 1919, has been appointed assistant to the president. J. T. Stirrett, general secretary since 1919, and more recently assistant general manager, becomes general manager.



J. E. WALSH

Mr. Walsh first joined the Association staff in 1907, when he was appointed manager of the transportation department. Prior to that he had been for 22 years with the Canada Atlantic Railway & Transit Co., Ottawa, and for a short time assistant to the general manager of the Richelieu & Ontario Navigation Co., Montreal. When he came to the Association, the Dominion Railway Board was just starting to function, and many problems affecting the interests of shippers were coming up for solution.

Mr. Stirrett went on the Association staff in 1912, on his appointment as editor of Industrial Canada. Previous to that, after his graduation from the University of Toronto, he had been engaged in newspaper work. He served overseas with the Canadian Expeditionary Force. On his return in 1919, he became general secretary of the Association and in Nov., 1938, assistant general manager.

J. T. STIRRETT

The years during which both men have been connected with the Association include some of the most serious periods in its history, such as the previous war, the post-war reconstruction period and the depression. The experience gained during those times it is felt should be of great value to the Association

Bond Investments in War Time

In view of the developments of recent weeks many investors are asking the questions, What should be done with securities now held? and, How should new money be invested?

Our October Review and Bond List endeavours to answer these questions, and presents a diversified offering of Canadian Government and Corporation Securities.

A copy will be furnished promptly upon request.

Wood, Gundy & Company Limited

Toronto Montreal London, Eng. Ottawa Hamilton Winnipeg Vancouver London, Ont.

Can. Iron Foundries Is Expecting Pick-up

From Our Own Correspondent

MONTREAL.—Canada Iron Foundries anticipates a good volume of business in the last quarter of this year and a reversal of the lower trend for the first eight months, according to C. L. Jobb, president. Volume for the first eight months was less than during the corresponding period of last year, but conditions in September took a change for the better.

Sales of miscellaneous grey iron castings of all kinds as well as machine shop jobbing work, are due for improvement through increased heavy industrial demand. Moderately improved car wheel and brake shoe business from the railways is anticipated from the current equipment programme. Further curtailment of municipal expenditures denotes a lessening of cast iron and reinforced concrete pipe tonnage.

Contractors' Association Incorporated in Ontario

In an effort to put operations on an official and permanent basis, the Ontario Contractors Association has obtained a provincial charter of incorporation. Formation of the organization was launched last spring for the purpose of grappling with problems common to contractors throughout the province, eliminating abuses of credit in the industry, and studying the various proposals for licensing or registration of contractors. A. R. Timms of Welland, Ont., is president.

John A. McMahon and John L. Burns

ANNOUNCE

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"INVESTING in War Time"

Announcement of a prize contest designed to stimulate informed discussion of the problems of the businessman - investor under today's difficult conditions.

The Financial Post offers substantial cash prizes for articles dealing with the subject of investment under war conditions.

In order to give point to the articles, it is desired that they should deal with the specific problems of the businessman-investor.

The articles will be judged, therefore, according to the manner in which they answer the following question:

"A Canadian businessman has $50,000 to invest. His income from his business or profession is sufficient to meet his normal expenses. He is investing primarily for protection against the future, but he is ready to accept the ordinary risks of business and investments. Naturally, he seeks a fair return on his capital, but also would welcome the prospect of capital appreciation. What would be your choice of a portfolio for him?"

Prizes will be awarded as follows:

FIRST PRIZE $100.00

SECOND PRIZE $50.00

In addition The Financial Post plans to run a number of the articles that do not win prizes. These will be paid for at our regular space rates, or approximately $25 apiece. In all it is hoped to run at least 10 articles.

The contest rules are brief and simple. They are as follows:

1. Answers must be in the form of an article of not more than 2,000 words suitable for publication in The Financial Post.

   In addition to the text of the article the entry must include a list of the specific investments selected.

   Contestants are requested to list the portfolio on a separate sheet showing, for each security, the number of shares or principal amount of bonds, the name of the security, its price, and the current income yielded.

   Answers will be judged not only on the selection of investments and the division of the fund, but on the presentation of arguments in support of the policy proposed.

2. The manuscript must be typewritten on one side of the paper only. The contestant's name and address should be written on a separate page attached to the manuscript.
3. Answers must be in the hands of the Investment Contest Editor, The Financial Post, 481 University Ave., Toronto, Ont., on or before November 1, 1939.
4. The contest is open to anyone who is not an employee of The Financial Post or The MacLean Publishing Co. Ltd., whether a subscriber to The Financial Post or not.
5. Only one answer will be accepted from each contestant.
6. Any manuscript submitted will become the property of The Financial Post and may be published by it. No manuscripts will be returned. Any selected for publication will be published under the name of the author.
7. Judges for the contest will be the editors of The Financial Post, assisted by such outside authorities as they may desire to consult.
8. The Financial Post assumes no responsibility for the future performance of the investments selected by contestants.
9. In the event of any dispute or misunderstanding the decision of the editor of The Financial Post will be final.

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LINES WANTED

EXPERIENCED TRAVELLER WOULD like to hear from firms needing commission representative Fort William to Vancouver or across Canada. Lines advertised herein or kindred lines considered. Box 195, The Financial Post, Toronto.

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TORONTO OTTAWA QUEBEC SHERBROOKE

57

Dominion Coal Output Running Ahead of 1938

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. reports production in September of 399,814 tons. This contrasts with 417,921 tons in August and 336 652 tons in September last year.

Dealers in High Grade Securities

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Bond Markets

Strong Performance By Canadian Markets

Investment Material Apparently Still Far Short of Demand—Many Favorable Factors Boosting Confidence of Bond Buyers

Canadian bond markets have been turning in creditable performances.

To a large extent the strength shown by nearly all issues may be attributed to the isolation in which the market finds itself. Investors with funds for investment are forced to turn solely to mediums available in Canadian markets, and the supply is limited.

Reaction of prices to this situation has been encouraging for holders. In the past few weeks nearly all issues have forged ahead, the industrials vigorously.

The action cannot be considered normal, as the United States market, once a potent influence on the Canadian market, no longer plays the part that it did before the creation of the exchange restrictions.

* * *

Canada Grows

These are abnormal times, and the investor is likely to overlook the comparative stability of the bond market in times of unusual stress. He is also likely to overlook the remarkable growth of Canada and its economic structure when considering the last conflict as a precedent as to what will happen to the Dominion in the present war.

In a recent bulletin Wood, Gundy & Co. finds a number of encouraging points for investors.

Three major factors that affect government and industrial bonds, the bulletin states, are: The accumulated wealth of the nation; the earning power of business enterprise, and the basic trend of interest rates in Canada.

The bulletin enumerates these encouraging factors:

In the past 25 years Canada's population has increased 42%. Individual and corporation wealth has expanded tremendously.

Bank deposits have grown in that period from $1,002 millions to $2,407 millions, or an increase of 140%.

Assets of Canadian life insurance companies have grown $257 millions to $2,137 millions, an increase of 729%.

Growth of exports, imports, manufacturing and mining is shown in a compilation as follows:

	Today $000,000	25 Years Ago $000,000	% incr.
Exports	969	455	113
Imports	658	619	6
Manufacturing	3,623	1,407	157
Gold production	166	27	514
Copper, lead, zinc	84	12	600
Nickel	54	14	285

* * *

Investors' Confidence

Add to these things Canada's grain crop, estimated to be over 450 million bushels, and increased industrial activity and there is every reason for investors having confidence in Canadian governing bodies and earning power of Canadian corporations.

* * *

C. P. R. Bonds

A feature of the bond market recently has been the appreciation in prices of Canadian Pacific bond issues.

The yields on C.P.R. issues have been attractive for some time, but the bonds have not been popular with investors. Earnings in recent years have been poor and many felt that financial difficulties were ahead for the C.P.R. Now, however, railway earnings are rising sharply and the immediate outlook is for continuance of this trend. This has resulted in greater demand for C.P.R. issues.

Bid Prices	Oct. 10	Sept. 26	Aug. 29
3½'s due 1951	83	74	77½
4's due 1949	88½	79	80
4½'s due 1944	92	84	84
6's due 1942	99½	96	95

* * *

Provincial Bonds

Provincial bonds have not enjoyed the same measure of activity as Dominion issues since the outbreak of war. Eastern provinces will have to pay from 3.8% to 4.4% for their long-term loans, as indicated by present prices.

Nor can it be said that western provincial issues have advanced as much as the considerably better picture in the West would seem to warrant. It is believed that investors do not regard the betterment brought about by good wheat crops as a final solution to the West's difficulties, but think that perhaps Dominion Government aid might yet have to be forthcoming.

In view of the strain that will be placed on financial resources of the Dominion by war, provincial bonds hold a less favorable position in relation to Dominion obligations. Because of its wide taxation powers the Dominion Government is in a better position to withstand the strain.

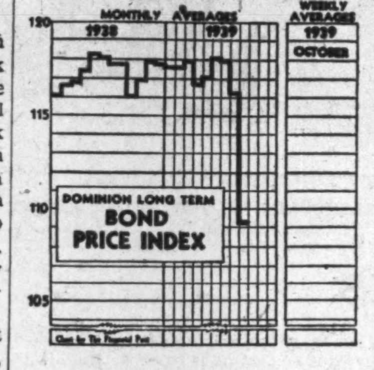
* * *

Bond Index

Dominion of Canada issues continued to gain during the past week. Advances were also in evidence in provincial issues. Better-grade corporation issues were strong and many utility and industrial bonds moved up three points over the week. Prices of Canadian issues in New York have come up considerably.

DOMINION OF CANADA
Long-term Bond Index

	Latest week Sept. 29-Oct. 5	Preceding week Sept. 22-28	Weekly average year ago
Price	110.2	109.5	116.0
Yield	74.7	76.1	64.6



Burry Biscuit Passes Dividend on Preferred

Regular quarterly dividend on the 6% preferred shares of Burry Biscuit Corp., due Oct. 1, was not paid, The Financial Post is officially informed.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson	*5%	1952	Jan. 1 '40	105
Can. Cement	†3%	1940	Nov. 1	101
St. Mary's Cement	*6%	1942	Nov. 1	101½
Riordon Pulp	*6%	1942	Dec. 31	105

*All outstanding balance. For sinking fund purposes. †$750,000. *$86,300.

Mortgage Bank Finally Shelved

Ottawa Puts Plan in Storage for Duration of War

From Our Own Correspondent

OTTAWA.—As forecast in The Financial Post, the Central Mortgage Bank will be relegated to cold storage for the duration of the war. The decision was officially announced this week.

The personnel of the bank, assembled at Ottawa during the days immediately preceding the war, will be retained in the service of the Bank of Canada. D. B. Mansur, of Montreal, who was the superintendent of the Central Mortgage Bank has been assigned to the Exchange Control Board.

It is hoped that the bank will be put into operation after the war is over but nobody pretends to be able to foresee the conditions which will then exist. For this reason, it is impossible to forecast what changes in the structure of the bank will be necessary.

Northern Ontario Bldg. Bondholders Will Meet

Bondholders of Northern Ontario Bldg. will be asked at a meeting in the near future to accept payment of their bonds in Canadian funds, W. D. Ross, president, has announced.

The bonds matured Oct. 1, but because the company could not arrange to make payment of the maturity in U. S. funds, the bonds were not paid. At the end of 1938 there were $643,500 of the 6½% first mortgage 15-year sinking fund bonds of the company outstanding. Interest and principal are payable at the holders' option in U. S. or Canadian funds. Interest due April 1, 1932, and since was paid in Canadian funds only.

"If the bondholders consent to this proposal (to accept payment in Canadian funds of maturing principal) the company feels reasonably sure that a mortgage can be arranged at an early date from a private source to meet the payments of the bonds and interest in Canadian funds," Mr. Ross states.

Bond Sales

Grey Nuns of Ottawa

An issue of $203,000 of 4½% serial bonds of the Grey Nuns of the Cross of Ottawa is being offered by Dube, Leblond & Co. Inc., Harris, Mackeen, Goss & Co. and Banque Canadienne National.

Purpose of the issue is to provide funds to pay off $225,000 of 5½% bonds which have been called for redemption on Jan. 2 next. The bonds are dated July 2, 1939, and mature 1940-60.

The issue is secured by the general credit of the order and by a first mortgage on St. Joseph Hospital, Sudbury, Ont.

The Grey Sisters of the Cross operate a number of hospitals, convents, schools, orphanages.

* * *

Sisters of Charity, Montreal

A $400,000 issue of 4½% bonds of the Sisters of Charity of Providence, Montreal, has been underwritten by Paul Gonthier & Co. The greater part of the issue has already been sold.

Purpose of the issue is to defray the cost of a new wing to the St. Joseph Hospital, Three Rivers. The property on which the issue is secured is valued at around $700,000. The Quebec Government is contributing $150,000 toward the cost of the addition.

The bonds, which mature serially 1940 to 1950 are being offered at par and accrued interest.

* * *

Prince Edward Island

Midland Securities Corp. and Dyment, Anderson & Co. have sold $300,000 of 4% seven-year bonds of Prince Edward Island. In last week's Post, it was incorrectly reported that the coupon rate on these bonds was 3%.

Foreign Exchange

During the week Oct. 3 to Oct. 9, there was no change in the quotation of the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Oct. 9

Belgium	.1859	Italy	.0561
France	.025308	Norway	.2525
Holland	.5900	Sweden	.2647
Hungary	.2109		

Mount Royal Fight Goes On

Committee Reports Receiving Many Proxies

From Our Own Correspondent

MONTREAL.—Shareholders of the general protective committee of the Mount Royal Hotel Co. report an encouraging response to its appeal for proxies. At present the committee has a "working" majority and expects shortly to have an absolute majority of the stock of the company.

Meanwhile the Century Bond and Management Co., of Toronto, has sent another letter to the shareholders over the signature of Gordon Thorley, president. After referring to his previous letter giving several reasons why the present board should be changed, Mr. Thorley suggested that the directors submit to the shareholders satisfactory explanation of the following points:

Asks Four Questions

"(1) Why has the company's investment account which stood at $664,917 as of Dec. 31, 1930, dwindled to $108,207 (net market value) as of Dec. 31, 1938?

"(2) Has the company had dealings with its directors on this investment account, its late call loan account, or in the investment account of any subsidiary enterprise?

"(3) What is the reason for the discrepancy between mounting gross revenue and decreasing net revenue from 1933 to 1938 inclusive?"

Mr. Thorley also raises another question: "How much has the Mount Royal Hotel Co. invested in the stock of the Windsor Hotel Co., Montreal, directly or indirectly, from Jan. 1, 1930, to Sept. 1, 1939, and with what results?"

No statement is available from the company on the points raised by Mr. Thorley.

Second Inter-State Royalty Reports Revenue to Date

From Our Own Correspondent

MONTREAL.—Second Inter-State Royalty Corp. advise Montreal Curb Market that at the end of September investments in oil royalties had a book value of $234,061.

Gross revenue from royalty income since acquisition amounted to $74,188 up to August 31, 1939, and the reserve for depletion totalled $20,402. During August last the Corporation had a gross royalty income of $1,278.

Advocates Saving By Municipalities

Research Bureau Sees Economy Need in War

Reviewing the annual report of the Commissioner of Finance of Toronto, The Toronto Bureau of Municipal Research urges strictest economy in wartime.

"We may be in for a long war and it is hoped that the provincial authorities will not assist in prejudicing the city's position 10 years from now, by giving further permission to issue debentures for non-asset producing purposes," the bulletin states. "Let us do without what we can do without and grimly determine to pay now for all essential services. The country will need all its credit to finance the war. There is only one reservoir of credit. The municipalities cannot draw on it without increasing the load for the country as a whole."

According to the Bureau's estimates, Toronto ended 1938 with an accumulated surplus of $429,917, having begun the year with a surplus of $216,210. Therefore 1938 showed a surplus of $213,707.

While the city received considerable benefit from the funding of relief in 1933, the effect diminished in 1935 and results are beginning to show the cost of such a policy.

Below is a tabulation of the results of funding of unemployment relief since 1932.

Year	Amount Funded $	Effect of Tax Rate Resulting From Funding Mills
1933	2,400,791	Decr. 2.44
1934	2,844,412	Decr. 2.65
1935	3,193,487	Decr. 2.34
1936	2,183,552	Decr. 0.83
1937	1,435,562	Incr. 0.59
1938	1,603,856	Incr. 0.98

In the past five years collections of current taxes and arrears have exceeded levy. In the preceding five years there was a deficiency of current and arrears in relation to total levy.

There has been decrease in debt charges since 1934, but this has been more than offset by debt charges for relief works and unemployment relief. There will be a small increase in 1939, but it is estimated that in the next five years there will be large decreases providing that new debt is not incurred to void the trend.

Bond Tenders

12 noon, Oct. 12—Canada Treasury Bills—$30,000,000 dated Oct. 13, 1939, due Jan. 15, 1940.

Can. Celanese Profits Ahead

Earn as Much to End of September as All of Last Year

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Celanese Ltd. for the year to date are reported running well ahead of last year, net profits for the first nine months being equal to those for all of last year, when $1.71 a share was earned.

Operations at the Drummondville plant have been on a capacity basis for some time past and the volume of business on the books of the company indicates a continuance of that condition during the balance of the year.

The market for Canadian Celanese fabrics of standard type is currently benefitting from the stiffening of all fibre markets, including silk products. It is now expected that silk imports into Canada will be restricted because of war conditions.

In addition, European capacity on synthetic fibres and fabrics, competitive with Celanese, are probably not more than sufficient to meet demands on the continent.

Work on New Product

Announcement is also made that Canadian Celanese will commence production on a small scale of new wool-like fabrics. The company is proceeding slowly with these so as to test them thoroughly in the market absorbing them for commercial use in Canada. These new fabrics are the product of research by the Celanese chemists and technicians.

These wool-like fabrics have been designed to give the Celanese companies a product in the broad market for woollen goods hitherto only slightly touched by the British and American companies. The new field open to Canadian Celanese is an important market. Wartime requirements have forced the woollen companies to capacity, prices have advanced sharply, and it is reported that forward quotations have been withdrawn.

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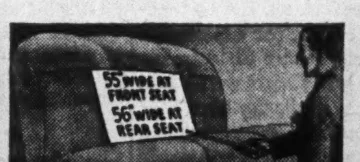
EXCITING improvements abound in the new Plymouth for 1940! Bodies are wider—55 inches wide at the front seats—56 inches at the rear seat. There is room to move around, rest and relax.

Wheelbase has been increased—but overall car length remains the same. New, advanced weight distribution places all passengers near the centre of balance, producing a thrilling new "Luxury Ride". Handy-Control gearshifting on the steering column is standard equipment on ALL models, including the lowest-priced Roadking. Headlamps are the new unit-type "Sealed Beam" design with 50-65% more illumination on the country driving beam. Rear doors are straight at the back and rear door windows now go all the way down... All doors are wide—you walk straight in and sit down. All windows are larger and set lower for better vision. You can "see" no matter where you sit in the 1940 Plymouth.

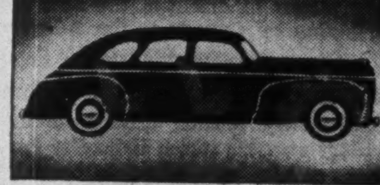
See the handsome new Plymouth models now on display at your Chrysler-Plymouth-Fargo dealer's showrooms. Take that thrilling new Plymouth "Luxury Ride" today.

New "Sealed Beam" headlamps have 50% more illumination on country driving beam.



Front and rear seats are wider and chair height. Ample room for six people to move around. Improved design of rear seat arm rests gives more hip room.

Handy-Control gearshifting is standard equipment on ALL models, including the lowest-priced Plymouth Roadking.



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MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1, Telegraphic Address, Atabek, Lesquare, London.

TORONTO, OCTOBER 14, 1939

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Financial Post believes such objectives require:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Elimination of public and private waste.*
3. *Pay-as-we-go financial policy.*
4. *Planning the war effort with the post-war as well as the emergency needs in mind.*

In achieving these objectives the spirit of sacrifice and unity in Canada can be used in finding sound, long-term solutions to problems left unsolved in the idle days of peace.

1. Profits and War.

The Legitimacy of Profits

A FEW days ago Walter P. Zeller, president and chairman of the chain store organization which bears his name, wrote to his store managers about how best they might assist in war effort. One thing he said was this:

"We should not confuse profitmaking with profiteering.

"The first we MUST do, the second we must not do.

"Profits are more essential than ever—first, because we cannot stay in business without them; and—second, because the Federal Government expects to finance a large portion of the costs of war through corporation income taxes. The greater our profits the more we will contribute financially to the national emergency."

With business getting very quickly into wartime tempo, the question of profits is causing concern to many Canadian manufacturers. The reason is not hard to seek.

Businessmen know the need for maintaining the profit motive to attain the maximum production and efficiency. Yet they hesitate to be branded profiteers or to appear to be making money at the expense of human suffering.

* * *

It is easy to confuse these ideas of profits and profiteering—yet very important that the essential difference be clearly understood. Profits are essential to successful war effort; must remain the mainspring of productive efficiency. Profiteering is unconscionable, loathsome; must be kept rigidly in check.

One vital reason why profits are important to Canada's war effort is that they are essential to efficiency in production. Canada will get better dollar value for the money spent on guns, uniforms, shells and foodstuffs—we will get more of these things and get them more cheaply—if the profit motive is kept alive. Such a motive has a proper essential rôle alongside patriotic eagerness to play a part in winning the war.

* * *

Our first job, obviously, is to facilitate the production, in Canada, of everything needful to win the war. This production must be achieved quickly, economically, and at greatly increased tempo. To do this requires the harnessing of individual enterprise and administrative enthusiasm. The most effective means to this end, the surest way to get production started as quickly and efficiently as possible, is to offer business the opportunity of full production at reasonable prices with the chance of a fair reward for the work done and the risks taken.

There is nothing sinister, nothing unpatriotic about such a programme. It applies to men who make butter and biscuits as well as to those who make shells. These men are not profiteers because they conduct their business in wartime on a profit basis.

On the contrary, a recognition of the legitimacy of profits—the offering of a reasonable reward for work well done—is a wise and proper means of ensuring the best possible contribution by Canada to the Allied cause.

Canada's Auxiliary Services

THE newly formed directorate of auxiliary services which Brigadier Foster of Vancouver has been asked to organize has an important part to play "behind-the-lines" and on the "home front." This new service has its counterpart in England, where it has been found important to regularize canteen work and other services "essential to the welfare of the troops." In addition to the Y.M.C.A. and the Salvation Army, which have proved their merit in this field, there are now a substantial number of Great War veterans ready and anxious to assist in recreational huts, sports, entertainments and other educational and religious activities.

Already Canada's war veterans have done a splendid job in getting behind this country's war effort. Since last February the National Veterans Security Committee has been organizing to provide a nation-wide employment clearinghouse to mobilize the man and woman power of veterans in case of need. Some 80,000 persons whose services are available on a whole or part time basis are now registered. Of these several thousand are already employed as guards in anti-sabotage work. More recently the Committee has been approached to fill vacancies caused by enlistment. Only last week the committee got a request for 18 butchers.

Though this committee will not overlap with Brigadier Foster's organization, both bodies will be valuable clearinghouses to enlist and co-ordinate the services of Great War veterans. They show the opportunity for using national leadership to co-ordinate local and community effort.

It is important to emphasize the stated intention of Hon. Norman Rogers, Minister of National Defense, that Brigadier Foster has been appointed in an individual capacity rather than as president of the Canadian Legion. His new job should not be interpreted as meaning that the wartime services of the Y.M.C.A. are being superseded by the Legion because the appointment has come to the commanding officer of that organization.

Already the "Y" has swung promptly into line with the oldtime enthusiasm and zeal which characterized its magnificent contribution in the Great War. In one city alone facilities for feeding and entertaining some 2,000 soldiers a week have been going full swing now for some time. Its fourfold programme is well suited to meet the needs of the youth who comprise the bulk of His Majesty's forces.

Under Brigadier Foster an excellent job can be done of co-ordinating this Y.M.C.A. work along with that of other bodies, including the Canadian Legion.

Positive Propaganda

THE suggestion made last week by Senator Meighen that pro-Ally propaganda be broadcast in German to persons living in Canada who speak only that language has prompted us to look up the census report on the number of people in Canada who can speak no English.

In 1931 there were a million and a quarter people in Canada over ten years of age who spoke no English. More than 80 per cent of these were French. Of the remainder, less than 10,000 were Germans, about 3,000 Austrians and 3,500 were Czechs. As there were in Canada at that time about 430,000 people of these racial origins, it is apparent that 97% of them are able to speak English.

Ukrainians are the racial group with the highest proportion of persons unable to speak English. Even here, out of 168,000 persons, nearly 26,000 or about one in seven reported to the censor in 1931 inability to speak English.

Perhaps there is a limited field for the type of educational work in German and native languages which Senator Meighen has in mind to offset the infiltration of German propaganda over short-wave radio stations.

The more important job is to provide leadership by inspiration for millions of English-speaking Canadians. This is the job that is not now being done.

Were the Prime Minister to inform and inspire the rest of Canada regularly and insistently concerning Canada's part and purpose in the present conflict the resulting enthusiasm and support would very quickly offset Hitler propaganda — even among the handful of Germans who reputedly can speak no English.

A programme of leadership by inspiration in Canada would also be of great benefit in spreading the right sort of information in the United States. Talks by the Prime Minister would not be directed to inform the people of the U. S., they would be directed to Canadians. But our neighbors would listen, in the same way that the Canadian people are listening now to much of the isolationist and even anti-British propaganda being circulated in the United States.

Our Ambassador in Japan

IT IS a full year since Hon. R. Randolph Bruce retired by reason of ill health, as Canada's Ambassador in Japan. Meanwhile nothing has been done to appoint a successor in this important post created originally in 1929.

This procrastination is regrettable for many reasons.

For one thing Canadian trade with Japan has been increasing steadily. Our shipments of goods to that country now average $23 millions annually. She is our fourth largest customer.

Once we take the important step of appointing ambassadors to represent us, the connection should be maintained. If, for diplomatic reasons we wished to show our distaste for the belligerency of Japan in China we should do so formally, rather than via the backdoor route. As a matter of fact the Japanese take it as a very real insult that Canada has made no appointment now to fill Mr. Bruce's place.

Another reason why Canada would be well advised to fill this breach in her diplomatic fences is that the right kind of person might well play a useful and important rôle, either in neutralizing Japan's influence in the present conflict or in turning it in favor of the Allies.

To embark on a policy of appointing ambassadors to key countries and then allow those connections to lapse once they are made is not in keeping with Canada's status as a great trading nation.

The Canadian Editorial of the Week

Will Duplessis Go on Fiddling With a World in Flames?

Montreal Star

Loyal citizens of the Province of Quebec will have read the speech delivered by Premier Duplessis at Three Rivers with feelings of the bitterest disappointment and indignation. It was definitely NOT the speech of a leader who is standing behind the Government of this country in its resolute determination to co-operate with all the other self-governing Dominions to win the war.

It was, on the contrary, a speech in which the Premier of Quebec chose this particular occasion for a vicious and utterly unwarranted attack upon the Federal Government, thus attempting to demonstrate to the Empire's enemies that there is not unity in this country in the prosecution of the war.

What Mr. Duplessis has begun to do is to fiddle his petty tunes of petty prejudices and petty party politics while the world is on the verge of being plunged into the flames of war. He may say the world is not yet in flames, but is he not playing a very dangerous game when, knowing the tremendous issues at stake and the awful fate that awaits the world, should the forces of Hitlerism and Communism triumph, he still asks the honest voter in the Province of Quebec to cast a vote against the prosecution of the war to crush Hitlerism with all the forces that Canada and the Canadian people can command?

No Britisher in this province, or in any other province of the Dominion, will be able to hold up his head if such evil counsel prevails. Canada must be stoutly and without reserve united for the prosecution of the war and the overthrow of the twin evils against which it is directed until victory crowns the Allies' efforts. We can only do the best of which we are capable if there is throughout this Dominion unity and an absence of discord. The man who, at such a solemn hour, strives to incite elements of discord, seeks to weaken Canadian unity, in order to indulge in political party spleen, is doing this nation, and particularly his fellow citizens, the French Canadians of the Province of Quebec, the worst possible disservice any man could conceivably seek to accomplish.

Mr. Duplessis in one breath tells the people of Quebec that his slogan is: "One country, patriot at Ottawa, patriot at Quebec!" and in the other he leaves no possible doubt whatever that the fight in this election is Quebec against the rest of the Dominion. That is an impossible position for any leader to adopt, and we cannot think that it will not be appreciated at its real and sinister significance by the intelligent electorate of this province.

The Late John Appleton

KINDLY John Appleton — the Yorkshire printer and bookseller who settled in Winnipeg in 1890; became financial editor of the Winnipeg Free Press and from 1912 to 1916 editor of The Financial Post—was one who exercised a quiet, healthy influence in the financial development of Canada. He died this week at the age of 73.

John Appleton was best known as the man who for 20 years guided the destinies of the Dominion Mortgage and Investment Association and the Canadian Life Insurance Officers Association. He was the first secretary of both organizations. During the vital post-war years he played a modest, decisive part in counselling wise, conservative policies for companies which came during his stewardship to have assets of nearly six billions of dollars. When he retired in 1935, the joint secretaryship which he held was abandoned. These two important bodies have since then carried on under separate leadership.

The record of stewardship which Canadian insurance and loan corporations have achieved and maintained in this century has in large measure been made possible by the character and ability of men of the type of the late John Appleton.

Editorials in Brief

The United States Congress, otherwise described as His Majesty's Most Loyal Opposition in Washington.

* * *

Cigarettes released for consumption in August reached a new all-time record for any month at 719 millions.

One explanation is that the harrowing days of the August crisis proved an "ill-wind" for tobacco companies as Canadians tried to ease the tension of the European situation by extra indulgence in their favorite form of smoking.

* * *

Major General McNaughton, who is to be commander of Canada's first division, has already made an important contribution to Canada's war effort.

When the Government wanted a liaison officer to accompany Canadian industrialists who travelled to England in search of defense and munitions business this summer, it picked General McNaughton.

Because of that visit and because of his specialized engineering and military skill, this country will probably be turning out munitions and equipment for the Allies from three to six months sooner than would otherwise be the case.

* * *

Bowmanville's Canadian Statesman has challenged local applegrowers to see if they cannot do something to feed their fine crop of apples to people instead of pigs.

The specific suggestion (and an excellent one) is that orchardists organize a Grand Apple Exhibition and Demonstration in the town on the principle that it's up to the growers to "tell 'em if you expect to sell 'em."

Canadians are importuned daily to buy and use such fruits as oranges. Yet except for periodic Government advertisements little is done to merchandise our own "king of fruits."

The bulk of the fine new crop whose distribution has been temporarily demoralized by the closing of export markets could be disposed of entirely within the country if a really good job of evangelizing the benefits of Canadian apples were done day in and day out throughout every community in Canada.

Sayings of the Week . . . .

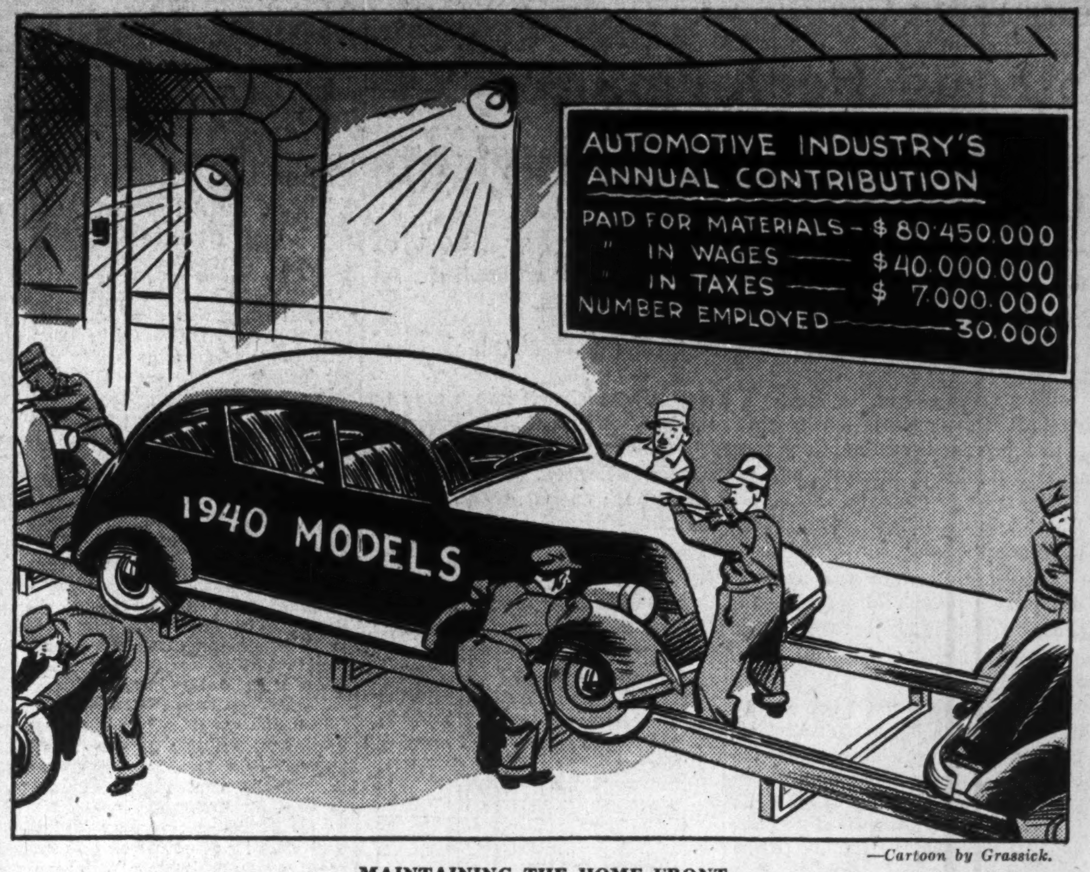
"Are we going to think only of our skins and our own pockets?"—*Eleanor Roosevelt.*

* * *

"So long as National Socialism was connected with the idea of liberation of freedom it was a movement of value. Today it means compulsion, terrorism, suppression, humiliation, enslavement."—*Hermann Rauschning.*

* * *

"Instead of two powerful and, to certain types of mind, captivating philosophies, we have a couple of sets of rival gangsters joining forces in a jam, pooling their luck and trying to shoot their way out with any loot they can carry through the G-men of civilization." — *Hon. Winston Churchill.*



MAINTAINING THE HOME FRONT

—*Cartoon by Grassick.*

Post-Scripts . . . . .

Tom Crerar

Next week we will have something more to say about Hon. T. A. Crerar, Minister of Mines and Resources, who will represent Canada at the Imperial War Conference late this month.

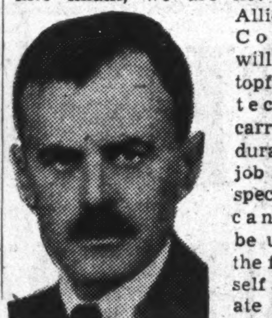
Meanwhile you will enjoy this limerick which burst full-blown on Parliament Hill simultaneously with the announcement of his appointment:

That bloody assassin, Der Fuehrer,
Now knows that his end is much nearer.
He lied like the Devil.
To Winston and Neville,
But now he must deal with Tom Crerar.

* * *

Scientist in Khaki

Though Major General A. G. L. "Andy" McNaughton is greatly elated at the chance of getting back into khaki, we are not sure the Allied High Command will let this topflight war technician carry on "for duration" in a job where his special gifts can scarcely be utilized to the full. Himself a passionate advocate of specialization in war, it seems highly probable that the British War Office may ask to have him shifted from his new job (as Inspector General of the units of Canada's first division and commander of those units when assembled) and give him free rein for his proven genius as an artilleryman.



A. G. L. McNAUGHTON

If you were to meet "Andy" McNaughton by chance in a railway smoker, you would be aware, in five minutes, that this was an extraordinary man, a brilliant man, but you would never guess him to be a soldier. He has none of the bearing or the air of a military man; there is about him none of the unmistakable aura of the man born to command. Young looking for 52, a transparent, ardent democrat who never stops to think who you are or what your blood count may be, a man who came up unaided from the prairie soil that cradled him—he was born at Moosomin, Sask.—he is more the professional than the military type. Indeed he does not seem to be a soldier at all. He is a mathematician, a scientist.

* * *

His record tells the story. He is the product not of the parade ground but of the university campus. The medium in which he works best is not the camp but the laboratory, and his career is a narrative of bouts of brilliant soldiering relieved by returns to his test tubes and formulae.

He went to artillery from a lectureship at McGill and entered the Great War as a major at 27 years of age. He became a colonel, the Canadian Corps staff officer in charge of counter battery work and, two days before the armistice, the G.O.C. Canadian heavies.

Without question he is the greatest artillery technician this country has produced and he is one of the foremost in the Allied armies. By use of mathematical calculations based on the speed of sound, he changed the method of spotting enemy guns and he put the finishing touches to the creeping or rolling barrage which became so effective in the later phases of the war. When "Andy" McNaughton thinks of what he can do with a howitzer, his mental pictures are the same as the scientist working with a microscope. He might be content if he were sure he could blow the left hind leg off a grasshopper at 4,000 yards, but he would probably want to extend the range.

* * *

He loves guns with the whole-souled passion that a man lavishes upon his favorite child. A few weeks ago he returned from London where, as a member of the War Mission of Canadian manufacturers, he had inspected the newest guns—returned bubbling over with enthusiasm and information. Calibres, firepower, fire pressures, rate of wear, ranges and accuracy, the alloys used in the making of guns and shells—all these he knew by heart.

* * *

Maj. Gen. McNaughton is intense, ardent, volatile. When his enthusiasm is roused he is tireless, indefatigable. He never drives subordinates. He doesn't need to because he has the gift of infecting them with his own ardor. He is the technician in war. He believes that modern war is a conflict between machines, factories industrial power; that the day of man power, of the bayonet and single shot musketry fire is passed. In this respect, perhaps, he is ultramodern. He believes that man power must be used in a highly selective and efficient way. He would exploit to the limit the technical knowledge of every enlisted man. He is, himself, the rare combination of the scientist in khaki.

Coupled with this technical ability, proficiency in science, is a marked talent for organization. He radiates enthusiasm and has an eagle eye for efficiency and a faculty for recognizing and encouraging merit. As president of the National Research Council for the past five years he has made a notable contribution in organizing a nation-wide attack on the peace front—the attack by scientists against waste, inefficiency and ignorance in industrial, commercial and agricultural life.

* * *

C. E. Gravel

In appointing C. E. Gravel as a dollar-a-year member of the War Supply Board the Dominion Government selected a French-Canadian businessman who has wide experience in finance and industry and who has an intimate knowledge of all parts of Canada.

There are few French-Canadians who have a better knowledge of conditions in Canada from the Atlantic to the Pacific. One of Mr. Gravel's hobbies is travel, and he has been more interested in getting acquainted with all parts of his own country than travelling farther afield. At the time of his appointment to the Defense Purchasing Board, the predecessor to the War Supply Board, he was on the Pacific Coast.

For many years his principal business association has been that of executor and general manager of the estates of John Pratt and J. O. Gravel. He is also a director of Banque Canadienne Nationale, Bell Telephone Co., Dominion Oilcloth & Linoleum Co., St. Lawrence Flour Mills, Canada Linseed Oil Mills and other commercial enterprises.

* * *

Mr. Gravel has always taken a keen interest in public affairs. He is a past president of the Montreal Chambre de Commerce and a former vice-president of the Canadian Chamber of Commerce, on the executive committee of which he still serves. For a number of years he was an alderman of the City of Outremont.

When the Home Improvement Plan was launched by the National Employment Committee several years ago, Mr. Gravel was selected a chairman of the Quebec advisory committee.

Fifty-six years of age he is a native of Montreal. His family have been residents of Montreal since the turn of the nineteenth century. His father was one of the founders of the Canadian Rubber Co., one of the companies merged to form the Dominion Rubber Co. in 1906.

* * *

David C. Dick

Wool is a commodity in which Canada is not self-sufficient. Therefore it becomes of paramount importance in wartime that supplies be closely husbanded.

This task has been entrusted to David Campbell Dick, grandson of a Scottish jute manufacturer. His office of wool administrator will be directly under Hector B. McKinnon's Wartime Prices and Trade Board.

Woollens and textile and dyeing have been daily fare for David Dick all his life. His father founded the family business, now known as Cobourg Dyeing Co., of which he is president. He was president of the Canadian Woollen and Knit Goods Manufacturers' Association in 1928, and is president of the Textile & Dyers Corp.

He is vested with wide powers as wool administrator, including supervision of purchases, shipments, deliveries and allocation of supplies and investigation of license applications for export. He will work in collaboration with the British wool controller. His first job will be to make a survey of the supplies of wool and wool rags in the hands of dealers and collectors.

David Dick was educated at Upper Canada College, and graduated with a B.A. from the University of Toronto in 1908. During the war he commanded the 32nd Battery, C.F.A., and was mentioned in dispatches.

His chief recreation is golf. He is said to have started swinging golf clubs at the age of three years. Golf club memberships—Royal Montreal Golf, Rosedale Golf, Toronto Golf and Cobourg Golf, reflect his active interest in the ancient Scottish pastime.

* * *

Sugar Boss

Canada's new sugar controller, S. R. Noble, assistant general manager of the Royal Bank of Canada, knows sugar. Some people might wonder why a banker was asked to take over the control of such an essential commodity. The answer is seen in the fact that Mr. Noble has an intimate knowledge of the sugar industry through his work with the Royal Bank's branches in the sugar-growing countries.

S. R. NOBLE

Mr. Noble maintains a longstanding tradition in Canadian banking, namely, that to be a successful banker one has to be born in the Maritimes. He was born in Fredericton 52 years ago and commenced his banking career in the local branch office of the Royal Bank. A few years later he moved to Montreal and for some time prior to his appointment as assistant general manager in 1922 spent nearly all his time looking after the bank's interests in Cuba.

* * *

Aside from banking Mr. Noble has many outside interests. He is a close student of economics, especially those pertaining to banking. Along these lines he has contributed many articles to his bank's monthly letter. His Maritime heritage finds an outlet through an intense interest in the Navy League of Canada, with which he has been actively identified for many years. Another interest is the welfare of Protestant education in Quebec.

While Mr. Noble belongs to two golf clubs in the neighborhood of Montreal, his idea of a perfect form of recreation is to go fishing with his young son, Billy.

Associated with Mr. Noble on the Sugar Control Board is H. J. Hobbins, vice-president and manager of Czarnikow (Montreal) Limited, subsidiary of the British firm of C. Czarnikow Limited, largest sugar brokerage firm in the world. Its managing director, W. J. Rook, is chairman of the Sugar Control Board of the United Kingdom. Mr. Hobbins is an engineer and widely known throughout the sugar industry in Canada.

* * *

Maurice Samson

The Hides and Leather Administrator appointed by the Wartime Prices and Trade Board is Maurice Samson, a Quebec City chartered accountant.

Educated at Levis College, Quebec Commercial Academy and Laval University, he started his career as accountant with Larue & Trudel, Quebec. In 1929 he formed his own firm and in 1931 entered into partnership with E. H. Knight.

In addition to being president of the Association of Chartered Accountants of the Province of Quebec, he holds directorships in a number of business enterprises. These include Nor-Mount Realty Co., Frontenac Realty Co., Quebec Land Co., Madden & Son Ltd., Blake Chibougamau Mining Corp., Fuel Industries (Canada) Ltd., Provincial Construction Co. and Provincial Investment & Land Co.

During the Great War he served for three years in various capacities such as paymaster, quartermaster, adjutant and transport officer.

As Others See Us . . . . .

The Post and Censorship

St. Catharines Standard

"Patronage must be killed," is the double column headline of a front page editorial in The Financial Post. From the very first, that has been the advocacy of The Standard.

The editorial in The Post is a strong indictment against the war shortages and lack of preparedness of Canada due to the political system and having in mind the very strict regulations against causing prejudice against recruiting, one is forced to speculate whether the Editor of The Post might not be "for it" for handing out the truth.

It would be far better to have a liberal interpretation of the censorship regulations than to have honestly critical editorship of any responsible newspaper pilloried in the courts.

They Will Need Help

Peterborough Examiner

It has remained for The Financial Post to remind Canadians that the need for voluntary community services will probably be greater than ever in wartime. That was the experience during the 1914-1918 conflict when it was found that the social service agencies were kept abnormally busy. That is not surprising. There are problems that rise up in wartimes that are never encountered in periods of peace. Such organizations as the Children's Aid Society, for example, have reason to look forward to a greater demand upon their services. Many fathers will be in the ranks of the overseas forces and experience has taught child welfare officials that when the father of a family is absent children often get out of hand and become a problem for social service agencies.

The cost of maintaining those agencies, too, climb, as the buying power of the welfare dollar shrinks and higher prices have to be paid for food and supplies.

The home front must be kept up to strength. All those organizations that are necessary in times of peace have an even greater rôle to play in war days and we cannot afford to let them collapse. While the first duty is to push ahead with the war with all possible vigor, it is also necessary to remember the social service work at home. The various agencies will need support and financial assistance during the trying days that lie ahead and, no matter what other calls are made upon the generosity of the public, they should have continued backing when they find it necessary to appeal for aid.

Other People's Views . . . . .

Good Politics and Bad

New York Times

In good times or bad, war or peace, there are bound to be legitimate differences of political opinion in this democracy. In war or peace, in good times or bad, they ought to be openly expressed and openly voted upon.

If the country, the State or the city is not united on what to do next, there is no gain in pretending to be. The only democratic method in such a case is to count noses and let the minority grin and bear it

What is Canada Doing?

Montreal Gazette

The British public are told periodically by their Prime Minister of the progress of the war, and Mr. Chamberlain's statements are as regularly supplemented by those of other ministers, notably Mr. Churchill. This is a right procedure since it is calculated to maintain the morale of the civil population and since that population is entitled to know from time to time something of the results of the effort it is making. The same thing is being done in France.

Canada is also in the war and is committed to a number of activities designed to support the allied cause, but the Canadian public are told little or nothing of what is being done, what progress is being made or what further plans are in contemplation. The country in this important respect is receiving no leadership, and lack of leadership in such critical times as these is a national weakness which cannot but impair the military and economic machinery of the nation and weaken its war effort.

Investment Banking and New Enterprise

Fortune Magazine

The hue and cry about the investment banker and "new money" has been quite unrealistic. In his official capacity the investment banker is merely a sensitive needle on a dial. When business is good he shows a charge and when it is bad he shows a discharge. The goodness or badness is generated elsewhere out of factors entirely beyond his control.

To this general conclusion only one amendment is necessary. While the investment banker cannot control the forces of capital formation, he may stimulate them, just as he stimulated the processes of integration in the twenties. He may do this in various ways. He may travel and enquire. He may try a flier now and then. And he may take every opportunity to spread a doctrine, not of recrimination against the present restrictions but of excitement in the possibilities of a new America. For it is safe to say that what integration was to the twenties, technological development must be to the forties, if private enterprise is to survive.

If the investment-banking fraternity is to assume in the future the financial leadership that has from time to time characterized it in the past, it might turn its thoughts and its efforts along these lines. It has long been a tradition of investment banking that the relation of a banker to a company was in a sense professional. Certain it is today that the need for the professional services of the banker lies not at the top of the industrial pyramid among the aging corporate giants but at the bottom.

Stop Me If . . . .

English newspapers have been much amused by the personal announcements appearing on the paper strips pasted over windows in main streets. One shop boasted: "Called up, wife carries on."

A correspondent in the Manchester Guardian reports he saw this one in a small Kentish town window:

"Dad's joined.
Look out, Hitler."

Week in Business

War Orders Reflected In Demand for Labor

Orders for Clothing and Equipment Absorb Skilled Operators in Factories — Die Makers and Machinists Sought in Larger Numbers

Canadian business is beginning to reflect the stimulus of war orders.

This is evident in two different directions. One the demand for products and the other the improvement in employment. One reacts on the other, of course, and the general result is to lift the purchasing power of the people at large.

While much of the activity in industrial circles as yet is confined to preparation for the production of war materials, especially munitions, in some other departments manufacturing has already got under way.

This is true in the case of textiles and other materials for soldiers' clothing, and the actual manufacture of the uniforms, boots and shoes, hats, etc. Already, it is understood, some orders of this kind have been placed by the Canadian Government. More are expected. Some plants also are already working on orders from the British and French governments for shells. And as these orders will be followed up by others of increasing size, die makers and machinists are wanted in greater numbers. Canada, it appears, is going to be a very busy country.

Figures from the last war give some idea of the extent to which this activity may go. In the years 1914 to 1917 Canada's annual production of munitions increased from $28,164 to almost $400 millions. There were 675 different factories engaged in turning out war supplies. Over 2,500 airplanes were built in the Dominion.

This time, with a much more efficient industrial plant, experience gained in the last war, and a considerable degree of preparedness on the part of industry, it is evident that Canada is ready to excel considerably her previous contribution to the Allied cause and her own industrial achievements on that occasion.

Among the business that has been placed or announced as immediately pending may be noted the supply of a large volume of lumber. Orders for lumber in British Columbia are placed at over 200 million feet for army purposes. This on top of previous orders for 150 to 200 million feet mean considerable activity in the woods and in the mills of British Columbia. In eastern Canada, it is understood, preparations are being made to meet other orders by sending a larger number of men into the woods this winter. Cutting off of Scandinavian supplies means that Canada will be called on to produce more. This wood is required for cookhouses, soldiers' huts in the training camps, tent floors, duck boards and what not. Examples of this are to be had at such places as the Exhibition grounds in Toronto where a number of new frame buildings have already made their appearance.

Orders for ships totalling $37.5 millions will be placed here. This means considerable business for Canadian shipbuilding yards and as these first orders are to be followed by others it is reasonable to expect that these plants will be kept busy throughout the war, making good the losses suffered from enemy submarines.

Business Indicators

Current business active with D. B. S. index of business activity for week ended Sept. 30 below previous week, but higher than year ago.

Wholesale sales in August show good increase over August last year.

Carloadings for week ended Sept. 30 above 1938 level. Total for year to date up 2.4%.

Railway earnings for last week of September higher than year ago for both roads. Cumulatives for year to date up 9.1% and 5.6% for C. N. R. and C. P. R. respectively.

Flour production for eight months ended August, 23.4% over 1938.

Rubber imports to end of August 14.9% above last year.

Sugar grindings for year to Sept. 9 1.0% below year ago.

Current trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▲.

	Sept. 30	Sept. 23	Sept. 16	Sept. 9	Oct. 1/38
Commondity prices	77.9	77.9	77.4	75.9	74.5
Weekly index	108.1	110.2	110.3	109.7	106.3
	Aug.	**July**	**June**	**May**	**Year Ago**
Financial Post index	°121.0	119.8	118.8	116.3	109.2
Retail index no. of sales	▲81.2	83.4	84.9	80.8	78.5
Dept. store "	73.6	77.3	72.2	75.2	74.7
Wholesale "	▲102.6	92.1	99.3	101.4	98.2
Country (% change fr. last yr.)	—2.2	—6.2	—7.7	—2.8	—0.8
Employment D.B.S. Index—	**Sept. 1**	**Aug. 1**	**July 1**	**June 1**	**Year Ago**
All industries	119.6	117.5	115.8	113.1	115.1
Manufacturing	115.3	112.8	111.3	111.4	113.8
Wage earners No. (000)	....	....	2,419	2,385	2,308
Living costs	....	....	$16.93	$16.92	$17.45
			Jan. 1 to date		**%**
Railways—	**1939**	**1938**	**1939**	**1938**	**Change**
Carloadings, wk. (Sept. 30)	▲68,882	61,867	1,830,473	1,787,560	+2.4
C.N.R. gross wk. (Sept. 30)	$ ▲7,520,260	5,994,954	142,245,937	130,337,434	+9.1
C.P.R. gross, wk. (Sept. 30)	$ ▲5,985,000	5,395,000	105,443,000	100,345,000	+5.0
C.P.R. net revenue (Aug.)	$ 905,950	491,021	6,883,453	3,679,387	+87.0
C.N.R. net revenue (Aug.)	$ 638,203	660,249	347,712	•5,116,693	....
Iron and Steel (Aug.)—					
Pig iron production (tons)	65,920	49,477	422,028	504,873	—16.4
Steel ingots and castings prod. (tons)	122,019	82,871	813,309	837,449	—2.8
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Aug.)	3,646	4,591	63,874	71,603	—10.7
Factory output (Aug.)	1,068	3,063	76,148	84,438	—9.8
Trucks and Buses:					
Domestic sales* (Aug.)	2.494	2,613	18,039	20,250	—10.9
Factory output (Aug.)	2,407	3,389	30,217	33,179	—8.9
Exports (Aug.)	6,171	3,912	45,781	43,643	+4.9
Financing (Aug.):					
Used	$ 3,288,609	3,231,692	24,998,564	26,684,357	—6.3
New	$ 2,276,081	2,501,978	20,122,942	25,447,092	—20.9
Construction—					
Contracts awarded (Sept.)	$ 19,379,100	19,534,900	150,781,900	143,461,700	+5.1
Cement, bbls. (June)	727,842	750,691	1,995,618	2,172,218	—8.1
Agriculture—					
Flour prod., bbls. (Aug.)	▲1,382,158	1,103,037	9,310,011	7,542,888	+23.4
Flour exp., bbls. (Aug.)	379,276	286,270	3,005,951	2,220,586	+35.3
Wheat exp., (Aug.)	10,272,929	6,266,055	75,366,950	39,298,033	+91.7
Cattle sales (Sept.)	▲74,378	73,396	552,846	544,377	+1.5
Hog sales (Sept.)	▲62,225	48,919	476,324	505,631	—5.8
Sea Fisheries: (August)‡					
Catch, cwts	1,439,900	1,507,600	6,555,120	5,629,210	+16.4
Landed value	3,007,400	3,389,400	11,891,980	12,096,210	—1.5
Newsprint (tons)—					
Production (August)	236,975	220,303	1,805,669	1,682,720	+7.3
Exports (August)	235,486	219,610	1,650,777	1,523,732	+8.3
Mining and Oils—					
Coal prod., tons (July)	1,064,354	825,940	7,872,776	7,757,113	+1.4
Coal imports, tons (July)	1,590,973	1,480,069	5,456,919	6,457,800	—15.5
Gold prod., fine oz. (July)	440,065	419,685	2,932,510	2,639,755	+11.0
Nickel prod., lb. (July)	19,648,013	17,429,616	129,962,767	126,584,357	+2.7
Copper prod., lb. (July)	50,203,445	48,271,652	346,672,044	332,173,260	+4.3
Crude oil prod., bbls. (July)	899,169	701,813	4,270,407	3,623,291	+17.7
Crude oil imp., bbls. (July)	3,984,057	4,066,571	18,175,657	17,518,028	+3.7
Electric Power Output (Aug.)—					
Total monthly m.k.w.†	2,291,425	2,075,901	18,239,617	16,782,052	+8.0
Foreign Trade—					
Imports (August)	$ 62,708,079	57,026,268	441,767,448	449,541,032	—1.7
Exports (August)	$111,032,492	86,537,952	670,023,411	580,937,398	+15.3
Other Industrial Factors—					
Dressed lumber exp.:					
M. bd. ft. (August)	248,455	147,205	1,363,405	1,069,207	+27.5
Shoes, prod., pr. (July)	1,833,993	1,626,772	13,083,764	12,573,625	+4.0
Cotton imports, lb. (July)	9,419,000	7,588,000	62,983,000	71,694,000	—12.1
Raw rubber imp., lb. (Aug.)	▲4,555,357	4,105,536	40,749,357	35,465,910	+14.9
Cigarette cons. (Aug.) No.†	719,562	668,798	4,688,888	4,539,360	+3.3
Sugar manufactured, lb.§	▲71,827,680	96,270,679	561,198,546	567,116,974	—1.0
Finance—					
Bank debits (August)†	$ 2,389,741	2,371,129	19,899,573	19,422,568	+2.4
Bond sales (Aug.)	$113,231,600	52,096,566	980,751,526	777,649,927	+26.2
Life insurance (August.)	$ 28,558,000	28,446,000	253,345,000	252,913,000	+0.17

*D.B.S. All Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For four weeks to Sept. 9, 1939. •Deficit.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Final.

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HAMILTON, ONTARIO, CANADA
437 St. James Street
MONTREAL

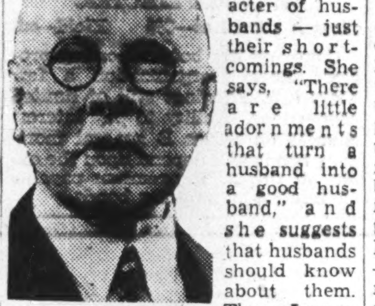
ENGINEERING IMPROVEMENTS IN NEW CHRYSLERS

In a variety of respects, the 1940 motor car models now being introduced by Chrysler Corp. of Canada reflect advances during the past year in engineering automotive improvement. In addition to the sealed beam headlights offered by the industry generally, the various Chrysler lines for 1940 have been strikingly redesigned to provide better appearance, roominess, comfort and operating efficiency. Greater windshield area and a heating-ventilating system for car interiors are other features in the Chrysler-line, illustrated above by the Chrysler Royal Coupe.

Keeping Posted

By J .C. KIRKWOOD

It is implied in Mrs. Ruth Bayley's article in the October issue of Chatelaine that we married men are falling down as husbands. The article has title, "How to be a Good Husband"—and tells how in 10 easy lessons.



JOHN C. KIRKWOOD

Mrs. Bayley is not attacking the character of husbands — just their shortcomings. She says, "There are little adornments that turn a husband into a good husband," and she suggests that husbands should know about them. Thus, Lesson No. 1 starts off with this accusing question: How long is it since you gave your wife a personal gift?—not a can opener, or a refrigerator, but something for herself—a rose, or a pair of silk stockings. Another mark of a good husband is contained in this "lesson": A good husband once in a while gives his wife her breakfast in bed.

About the suggested silk stockings gift. I am reminded of the story of the husband who was trying to be good: he entered a hosiery store to buy silk stockings for his wife, but the young saleswoman said, "Do you want them for your wife, or do you want something better?"!

* * *

War Reading

John McClelland, of McClelland & Stewart, book publishers, Toronto, is reported in the September issue of Bookseller and Stationer as saying, "The Great War of 1914-18 was responsible for a change in the trend of the general reading habit toward books of a more serious nature—a trend which has continued. If this war develops into a war of attrition,' there will be as before an increased production of the "literature of escape." People will turn more and more to mystery, romance, adventure; they will read to forget and to keep sane."

* * *

Women Sales Travellers

I lack knowledge concerning the number of women commercial travellers in Canada, yet I venture to guess that the total is small. So I was caught by this news item I saw in Men's Wear Merchandising for September; "An innovation is the engagement by J. & J. Cash, makers of Cash's woven names, of a young lady to contact retail stores and others interested in Cash's names, and in the new Cash's Belle Trimming for women's garments. The young lady making such connections is Miss G. Lloyd."

Of course women salesmen of life insurance are numerous—and usually are distinctly successful. In England I knew a young women who travelled all over the United Kingdom, in her own motor car, calling on retailers for a Canadian manufacturer of silk stockings. She was not so much a saleswomen as a "goodwill" representative.

* * *

Stability in Brewing

"Most of the Ontario breweries are now operating at a profit, and it is certain that they are indebted to the young man who, 17 years ago, set out to bring law and order to an industry where chaos ruled before. There are probably many more men engaged in the breweries today than there were in 1923, 1,300 of them being members of the Canadian Breweries family." So says an article in the September issue of Canadian Hotel Review. This article, entitled, "C.B.L.—One Man's Plan That Secured Jobs for 1,300 Men," begins: "It's news when a man conceives a plan for a sick industry, applies it successfully, brings security to more than a thousand men, balances his budget with a bit to spare, and still retains his sense of humor." This man is E. P. Taylor, president, Canadian Breweries Limited.

Mr. Taylor was 21 when he was made a director of the Brading Breweries at Ottawa—17 years ago. Then there were 39 breweries in Ontario, few of them operating profitably. Mr. Taylor's plan was one of consolidation and the gradual elimination of inefficient and superfluous plants.

* * *

Nearly 8,000 Parts

In a National cash register there are 7,857 parts. I wonder if there is any other machine of equal cubic contents with as many parts. N. C. R. mechanics have to have their wits about them.

At the New York World's Fair the National Cash Register exhibit is a building constructed in the form of a cash register—so I read in the General Merchant of Canada. The height of this building is that of a 7-story building. The giant cash register which tops it revolves continuously. It shows the daily attendance figures, with half-hour changes.

* * *

New Business

For several months past there has been coming to me from Norris-Patterson advertising agency, Toronto, a genuinely interesting and informative publication, "What's New in Business." The contents are crisp paragraphs about new ideas—products and inventions in wide variety. A specimen item is "A camera that registers the 180 degrees from horizon to horizon has recently been developed." Another is about a black dressing which restores the original color to tires, rubber mats and the running board of one's car.

This monthly publication is a pleasant and an acceptable way of maintaining its senders in the consciousness and interest of its recipients.

C.I.L. to Build New Soda Plant

$400,000 Will be Spent on Shawinigan Falls Addition

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has placed in operation its new chlorine plant at Shawinigan Falls, due to increased activity in the newsprint and textile industries.

In order to round out this unit of the company's alkali division, the erection of a caustic soda finishing plant is being undertaken and ground has already been broken for this portion of the work. Construction will be pushed forward as rapidly as possible with the expectancy that it will be ready for operation by the early spring.

The new section will be a one-story building occupying an area of 126 ft. x 180 ft. with a reinforced concrete foundation, with structural steel and brick superstructure. Company officials estimate that the cost of extensions, with equipment, will be in the neighborhood of $400,000.

Montreal Power Output Records Gain Last Month

From Our Own Correspondent

MONTREAL. — Electricity output for consumption in the Montreal area during September, according to a statement released by Montreal Light Heat & Power Cons., amounted to 99,173,710 kw.h., an increase of 6.63% over Sept., 1938.

Cumulative output for the first nine months of 1939 reached 866,412,950 kw.h., an increase of 41,724,800 k.w.h., or 5.06% over the like period of last year.

The company reports gas output in September of 414,103,000 cu. ft., as against 428,951,000 cu. ft. in September last year, a decrease of 3.46%.

Gas production for the first nine months of the year was 3,663 million cu. ft., compared with 3,695 million cu. ft. in 1938, a decrease of just under 1%.

CAN. BREWERIES DIRECTOR

Charles F. W. Burns, senior partner in the investment firm of Burns Bros. and Benton Ltd., Toronto, has been elected a director of Canadian Breweries Ltd., to succeed the late D. J. McDougald.

New Building

Fairchild Aircraft Ltd., Longueuil, Que., has awarded contract for construction of an addition to its plant, at estimated cost of $90,000.

National Steel Car Corp. has started work on addition to its plant in Hamilton, Ont.

Canadian National Railways is checking tenders for construction of $140,000 subway over Lachapelle Blvd. in Montreal.

Coca-Cola Co. of Canada is considering construction of a new plant at London, Ont., with possible outlay estimated at $100,000

H. E. Thomas, Toronto apartment builder and operator, has obtained approval of civic authorities for $500,000 apartment house project, involving erection of 13 small apartment buildings in the north-central section of Toronto.

City of London (Ont.) will seek voters approval in December for proposal to construct two bridges at estimated cost of $210,000.

Housing Loans Show Big Rise

September Total Is 77% Above Level of 1938

In the face of the war and a seasonal decline in residential construction as a whole in Canada, in September as compared with August, volume of operations under the National Housing Act showed a sharp increase during September over both the preceding month and Sept., 1938.

In comparison with the same month last year, September loans under the Act rose 77% in total amount, 134% in number of loans, and 106% in total of housing units provided. September loans amounted to $2,192,147, numbered 628 and covered 696 family dwelling units, including apartment suites, etc.,

Cumulative aggregate of loans to date under the Act and its predecessor, Dominion Housing Act 1935, now stands at $43.8 millions, of which approximately half has been loaned in Ontario. The loans have provided accommodation for over 12,000 families.

Improvement Loans Up

September also brought a major advance in volume of Home Improvement Plan loans, the month's total of $2,053,398 being 18% above August and 60% over Sept., 1938. Activity was centred in Ontario, where over half of the September loan total was placed. Cumulative total of Home Improvement Loans over the past three years now stands at 35.7 millions.

Higher Wages in N. B. For Woods Operations

From Our Own Correspondent

MONTREAL. — The New Brunswick Forest Operations Commission has increased the minimum and average wage to be paid to men employed in woods operations this winter.

The minimum rate has been increased from $30 a month with board to $36 a month with board. Last year the average wage could not be less than $34 a month with board. This winter it cannot be less than $40 with board.

Where an employee provides his own board he will receive an extra 50 cents a day.

Reason for the increase is the higher cost of living. The commission admits the business pickup now is not great enough to warrant the increase in labor costs, but looks for an upswing during the winter.

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NEW 1940
STUDEBAKER CHAMPION

PRICES BEGIN AT $919 for a Champion coupe, delivered at factory, Walkerville. Prices subject to change without notice.

HERE'S a still finer 1940 version of the tremendously successful original Studebaker Champion of 1939—a new Champion that's engineered to deliver 10% to 25% more gas economy than any other leading lowest price car—a beautifully balanced, luxuriously finished new Champion that runs rings around its price field in sure-footed comfort, handling ease, safety.

Stop in at your nearest Studebaker showroom now and take out a new 1940 Studebaker Champion for a revealing, convincing 10-mile drive. See for yourself that this Champion is a stand-out every way.

At no extra cost, you get the Champion's sealed beam headlamps, front-compartment hood lock, steering wheel gear shift, planar independent suspension, non-slam rotary door latches and many other niceties and improvements. Low down payment—easy terms.

YOUR LIFE INSURANCE IS SAFE

Despite war conditions, Life Insurance Companies in Canada will continue to honor all policies in accordance with the terms of the individual contracts.

This statement is made in the interests of the Four Million Canadian policyholders who look to their Life Insurance for financial safety and security.

The record of Life Insurance in every previous national emergency commands the confidence of every Canadian. It will continue to fulfil all pledges to policyholders and beneficiaries.

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Power Industry Key in War Effort

Operators Prepared for Big Increase In Demand — Survey of Prospects

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL.—Power stocks have been somewhat neglected in the wave of speculative buying that has taken place during the past few weeks. This has not been due to any inherent weakness in the utility group, but rather to first impressions of the investor that wartime operations would be concentrated in other fields of economic activity. Hence the limited interest in power stocks.

This opinion is changing. There is a growing appreciation of the important part which the power industry will occupy in Canada's wartime effort. The greatly increased industrialization of the country has been due in large measure to the availability of large supplies of low cost power. This is particularly true in the mining, pulp and paper and heavy industries. Power is a very essential war "material" and realization of this is turning attention to the power stocks as a field of investment.

The industrial expansion in 1914-1918, consequent upon wartime needs, placed a severe strain upon the then young, and growing power industry. Productive facilities were of a limited character and the sudden and extra large demands for energy caused a shortage in some areas. In others it was necessary to ration the supply.

Adequate Power Supply

This time Canada will not be found unprepared as far as hydro energy is concerned. There is an adequate reserve supply in practically all economic areas. Industrial or other requirements will have to expand very greatly before there is a serious shortage of water power.

There are difficulties in the way of appraising the position of the power systems under wartime conditions. The experience of the last war is not a good yardstick to go by. In those days capacity was much smaller. The use of electricity in industry was limited. Such industries as pulp and paper, mining, electrochemical and electro-metallurgical, were only a fraction of the size they are today.

Likewise it may be said that the power industry also has undergone many changes. New plants, bigger plants, interswitching facilities, etc., have brought into being a power system which has few equals in any other country in the world.

"A Case History"

While conditions of today are not comparable with those of 25 years ago, still it is of interest to look at the record of one of the larger power systems during the last war.

In 1915—the first full year under war conditions—sales of electrical energy by Montreal Light, Heat and Power Co. in the Montreal area totalled 350 million kilowatt hours. Believe it or not this was 1.69% less than in the previous year.

By the end of 1915 Canada was getting into its wartime stride and in 1916 Montreal Power reported sales of 459 million kw.h. In 1917 distribution jumped to 539 million kw.h.; in 1918 to 575 million kw.h. The following year sales dropped off to 523 million kw.h., reflecting the cessation of war activities.

Just what percentage of this increase was directly due to war is unknown. Officials of the company point out that at the time there was a growing demand for domestic and commercial use. Electricity then was just coming into its own and undoubtedly a large share of the increase was for purposes other than those caused by war conditions.

More Moderate Expansion

Even the most optimistic of the power industry's leaders do not look for as large increase in power requirements as was the case a quarter of a century ago, but they do expect and are prepared to handle a substantial increase in the power load.

There are five main sources from which the power companies expect a great demand for electrical energy.

The first and most obvious one, but not the most important, is in the industrial field. Canada's rôle in the present conflict is as a supply depot for Britain. This means the production of munitions, armaments, prepared foodstuffs and a host of other articles which England is not in a position to fully supply to meet her own requirements.

Meet Industry's Needs

As orders are placed by the Canadian and British Governments industrial operations will be stepped up to capacity with a consequent rise in demand for motive power. Industry in this country, as a whole, is highly motorized and the increased demand for power will be met almost in its entirety by the water power industry.

The greatest immediate demand for additional electrical energy will come from the pulp and paper industry. The new and important position occupied by the industry in Canada in relation to world markets should bring a substantial increase in the volume of available business.

Help Mining Industry

No slackness is anticipated in the mining industry. In both the precious and base metal divisions, activity is expected to increase. And in bringing this about electric power will play an important part.

The non-metallic field also will be called upon to meet a widening demand and, here again, electrical energy will be required.

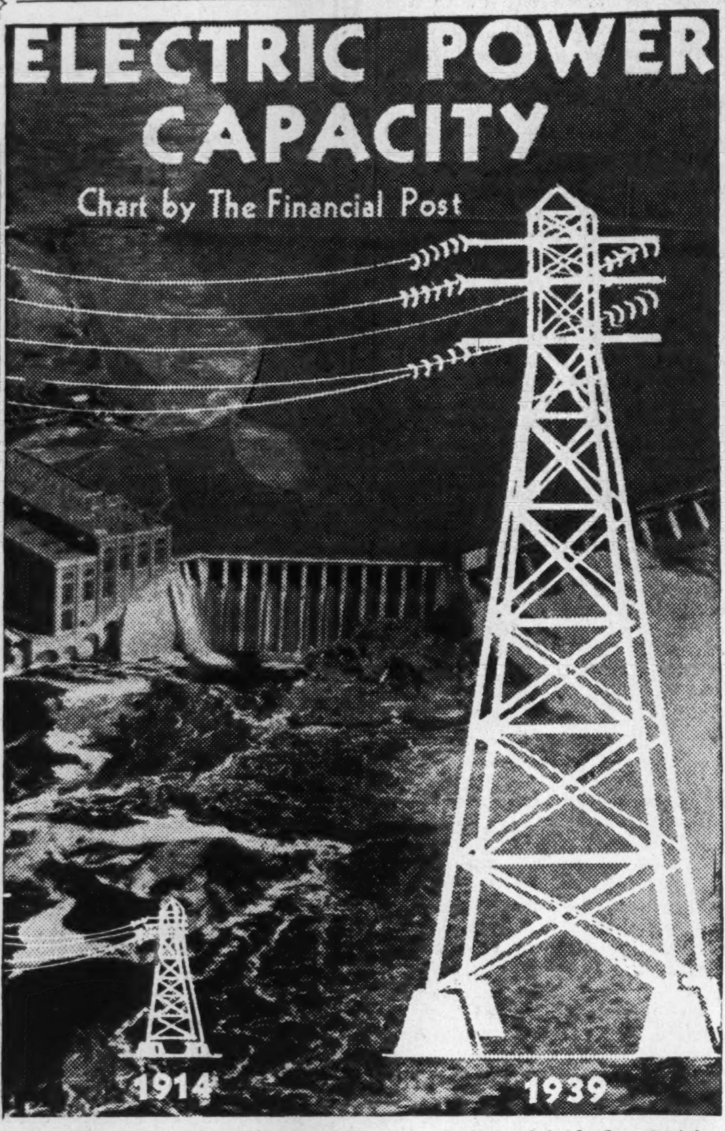
It is more difficult to see just what will be the likely trend of demand for energy in the commercial and domestic fields. However, one example can be given to indicate what may be a possible trend. Farm buying power, for instance, should increase very materially with wartime prices prevailing for agricultural products. Prosperity in rural areas means a broader demand for electricity service.

Power Supply Survey

Canada's developed water power at the beginning of this year totalled 8,190,772 h.p. There are several projects in course of development which will add appreciably to this total over the next 12 or 18 months.

The hydro power situation in each of the five main economic areas is reviewed here briefly as supplementary background to comments which follow later on the position of the major operators:

In the Maritime field there appears to be a reasonable supply of hydro power. Undeveloped water power is limited. Operators should have no real difficulty in meeting a wider demand for energy.



At the beginning of the last Great War Canada had a total hydro-electric generating capacity of 1,951,000 horsepower. Today capacity is estimated at 8,250,000 horsepower or more than four times as much. The latter figure represents about 98% of the total capacity for all central electric stations both water and steam powered.

Generally speaking there is an ample supply of power to take care of Quebec's needs, actual and potential. Under certain conditions it is possible that some interswitching of power might be necessary, but an actual shortage in any one district is not likely.

The Saguenay area has a sufficient power supply. Expansion of the Aluminum Co. of Canada's plant at Arvida and the increase in pulp and paper activities in the area will call for a very large block of energy, but indications are that the demand can be met without difficulty.

In Strong Position

Shawinigan's situation is a very favorable one. The company, in conjunction with Brown Corp., will complete a new development by the end of next year which will ensure plenty of power to meet almost any possible demand.

Montreal Light, Heat and Power Consold. also is in a good position to meet requirements of its territory. The company has large facilities to draw upon and there is plenty of excess capacity to take care of any normal or abnormal advance in consumption.

Southern Canada Power's highly industrialized territory is reasonably well supplied. Moreover, this company is tied in with Shawinigan and can draw upon that company if need be.

The situation in the Ottawa Valley is well under control.

As far as Ontario Hydro's requirements are concerned, the Commission will in all likelihood take steps to draw upon the surplus power under contract with the Quebec producers.

In northern Ontario the Abitibi Canyon development assures an adequate supply of power.

On the prairies and the west coast the hydro power supply is ample to take care of anticipated requirements.

On the whole, therefore, the hydro power supply in this country is more than adequate to take care of present demands. Consumption of energy could advance very substantially before there would be any danger of a possible shortage and as far as some areas are concerned, it is difficult to conceive of a shortage except under the most extraordinary conditions.

Effect on Earnings

With an increase in demand for electrical energy, how will revenues of the operators be affected? Power for domestic, commercial and industrial motive requirements is sold at a fixed rate and in the case of energy for industry, usually under long term contracts.

It is unlikely, at least in the near future, that there will be any change in the domestic or commercial rate schedules.

In the industrial field any wide increase in demand might result in the writing of new contracts at higher prices. This does not imply "profiteering." The power companies will have increased costs to meet and, moreover, the supplying of power under a temporary arrangement (as would be called for under new contracts) is an expensive business. Where long term contracts were entered into, the cost of power would be much along present lines.

Steam Power Situation

Sales of secondary power for use in electric boilers calls for special consideration. Creation of steam by electricity is an important phase of the industry's activities, especially in those areas in which are located pulp and paper plants. Steam power is sold at a relatively low figure and the cost is usually based upon the price of coal. These contracts are for no fixed term and can be cancelled on immediate notice. If pulp and paper operations develop along anticipated lines and the demand from other sources increases, it is to be expected that the rates of secondary power will advance, more especially if the price of coal increases.

Indications at this time, therefore, are that sales of power, both primary and secondary, will move up steadily, the extent of the increase being dependent upon the intensity of the country's war effort.

This will find reflection in earnings of the power companies. It will not be as noted in the case of gross receipts as in net receipts. The additional operating costs attendant upon an increase in the power load, are relatively small, so that ordinarily the greater part of the increase in gross revenues should be reflected in net income.

Not All "Velvet"

Conditions just now are not ordinary and it would be a sad mistake to think that any increase in gross revenues would be all "velvet" to the power companies.

Taxes constitute a burden for the power companies. Income, corporation and other taxes will take an increasingly larger share of revenues.

Costs of materials will mount. Copper wiring, transmission cables, transformers, switchboards and the thousand and one items needed by the industry will follow the general trend of prices.

Administration costs, wages and other expenses will not stand still. The problems created by war conditions are common to all industries.

Another Exchange Problem

Before commenting upon some of the more active power securities, it is necessary to give consideration to another problem facing the power industry—payment of fixed charges. The power companies, generally speaking, have financed the larger share of their developments through the issuance of bonds. Further it has ben necessary because of the extent of the financing to offer many of the bonds outside of Canada. Consequently many power companies have bonds payable in Canadian, American or Sterling funds. With the American dollar selling at a premium in relation to Canadian funds, the exchange question again becomes a matter of concern for many operators who still have vivid memories of heavy expenditures involved in meeting debt charges a few years ago.

Following is a list of the more important power companies which are or are not affected by the exchange problem:

Utility Companies With All or Part of Bonded Debt Payable in U.S. Funds

B. C. Power
Saguenay Power
Shawinigan
Provincial
Cedars Rapids
National Light
Foreign Power
Power Corp.
Can. Northern
Wpg. Electric
Inter. Power
United Securities
Calgary Power
Gatineau Power

Utility Companies With Bonded Debt Payable Only in Canadian Funds

Quebec Power
Ottawa Power
Montreal Power
Beauharnois
N. S. Light
Maclaren-Quebec
Southern Canada
Great Lakes Power
Ottawa Valley

Bearing on Share Profits

Close consideration should be given by the investor in power stocks to the exchange question. In some cases a premium of 10% on New York funds has a direct and very definite bearing upon the share earnings of a company.

Following are brief comments upon the position of some 12 Canadian power utility companies in which there is a broad investment interest:

BEAUHARNOIS

Price of Common—5½ Yield—nil

This company is a wholesaler of power and its earnings depend upon the extent of deliveries to its two principal customers: Montreal Power and Ontario Hydro. Deliveries to Montreal Power are at a maximum under present contract, but company has a surplus which could be called upon by Montreal Power in case of necessity. Prospects in relation to Ontario Hydro are excellent. There is a very good chance that Hydro will step up its deliveries before the time called for under its contract.

B. C. POWER

Price of Class A—25 Yield—8%

Conditions on the west coast are promising. There should be an increase in demand for the many services offered by the company. The provincial utility investigation into the financial affairs of the company is a factor to watch. Company has recently extended plant and has ample facilities for the time being. Current trend of earnings continues upward.

CANADA NORTHERN

Price of Common—15½ Yield—7.7%

Serves northern Ontario and northwestern Quebec mining areas. Has recorded wide expansion of services in recent years. An interesting feature of returns this year is that while gross revenue continues to advance, expenses have advanced even more sharply, leaving net earnings somewhat lower than a year ago. Interest on bonded debt is payable in New York funds. Prospects good for a further increase in power load.

GATINEAU POWER

Price of Common—14 Yield—5.7%

Power load has been steadily increasing; not only to Ontario Hydro but to associated companies. Current reports reveal a healthy increase in share earnings. General expectation has been that company would take steps to increase dividend in 1940, but premium on N.Y. funds for bond interest may interfere with this plan. On the other hand parent company needs the revenue from its share holdings and steps may be taken to compensate for the loss in revenue when Canadian dollars are converted into American funds.

MACLAREN-QUEBEC POWER

Investment interest in this enterprise is through the parent company, Maclaren Power and Paper, but bonds are widely held. Company's position should undergo improvement. Sales of power to associated company expected to increase, while Ontario Hydro is likely to take larger deliveries under contract. Interest on bonds payable only in Canadian funds; a favorable factor at this time.

MONTREAL POWER

Price of Common—29½ Yield—5%

Prospects are good. Power load has shown a steady increase of late and with Montreal industries on wartime basis demand should show further and probably even more marked increase. Dividend is being earned by a comfortable margin. There does not appear to be immediate likelihood of an increase in payment. Company has liquidated all bonded debt payable in N. Y. funds, but some of the subsidiaries still have bonds payable in New York.

POWER CORP.

Price of Common—9¼ Yield—*

Primarily a holding company; also providing management and engineering services to subsidiary and affiliated companies. Position dependent upon market value of its holdings and increased revenues therefrom. If prospects for utility industry shape up along expected lines, improvement can be expected in Power Corp.'s position.

*Variable: paid 30 cents on July 25, 1939.

QUEBEC POWER

Price of Common—16 Yield 6¼%

Serves Quebec City area with all utility services. Operations have been on the upgrade. No marked change is looked for in company's position. On the other hand, steady improvement anticipated. Position of common shareholders strengthened by fact that not long ago company converted its bonded debt on a Canadian pay basis.

SAGUENAY POWER

Price of Pref.—102 Yield 5.39%

Power demands in Saguenay region served by the company and its associate Aluminum Power Co. should move upward. Larger earnings in prospect, but net may not move correspondingly because of debt obligations payable in American funds.

SHAWINIGAN

Common priced at 21¾ Yield—3.9%

Stands to gain materially by new conditions. Serves large proportion of the pulp and paper industry. Also sells to asbestos, textile and other industries located in territory. Has a wholly-owned chemical subsidiary which may show important earnings under war conditions. Most of bonded debt still payable in American funds; company has set up an exchange reserve. Plant facilities ample to take care of a heavy increase in power demands. Should also benefit from higher prices for secondary power as price of coal advances.

SOUTHERN CANADA POWER

Common priced at 11¾ Yield—6.7%

Territory served is highly industrialized. Industries should receive a considerable amount of war business, which in turn shuuld add to power load. Power supply rather on the lean side, but arrangements with Shawinigan preclude any possibility of a shortage.

WINNIPEG ELECTRIC

Class A priced at—2⅜ Yield—nil

Company has been reporting progress since reorganization a few years ago. Earnings still of limited proportions. Ability to pay interest charges on Series B general mortgage bonds will depend upon the extent of the N. Y. premium payable on interest of ranking bonds.

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THE NEW FORD CARS FOR 1940

22 important improvements, added to fundamental Ford features, represent the most advanced engineering in the low-price field

WHAT do the Ford cars for 1940 offer to match their brilliant new beauty? New comfort, convenience, quiet, safety—and the roomiest, richest interiors ever designed for a Ford car.

They have a host of interesting new features. There is a Finger-Tip Gearshift conveniently located on the steering post. An improved transmission is unusually easy to shift. New Controlled Ventilation. Improved shock absorbers. Softer springs, improved spring suspension and a new ride-stabilizer.

A combination of new features makes the new cars quieter in operation. They have big, powerful hydraulic brakes. They have new Sealed-Beam Headlamps that are safer, stronger and stay bright longer. They have the famous 85-hp. Ford V-8 engine—which blends 8-cylinder smoothness with economy.

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22 IMPORTANT FORD IMPROVEMENTS

★ FOR COMFORT
1. More room inside
2. New Controlled Ventilation
3. New torsion bar ride-stabilizer
4. Improved spring suspension
5. Self-sealing shock absorbers
6. Two-way adjustable driver's seat
7. New-Type resilient front seat backs
8. New "Floating-Edge" seat cushions

★ FOR CONVENIENCE
9. New Finger-Tip Gearshift
10. Engine more accessible
11. Two-spoke steering wheel
12. Light switch on instrument panel

★ FOR STYLE
13. New exterior beauty
14. New interior luxury
15. New instrument panel

★ FOR SILENCE
16. Improved soundproofing
17. "Easy Shift" transmission
18. Curved disc wheels

★ FOR SAFETY
19. Sealed-Beam Headlamps
20. Dual windshield wipers at base of windshield
21. Larger battery and generator.
22. Headlight Beam Indicator in driver's direct vision

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Brazilian Traction

We would like your comment on Brazilian Traction Co.

Brazilian Traction has been hampered in recent years by exchange difficulties in Brazil. It has been able to achieve new record levels for its various utility operations, but net profits, stated in Canadian dollars, have not kept pace with this development. Under wartime conditions it would appear quite possible that this difficulty might be increased unless there is such an accelerated demand for Brazil's products that exchange difficulties are removed.

Whether or not this will take place is difficult to state, but it might be pointed out that August monthly earnings showed a decrease of 11.51% from 1938, which was more than accounted for by the decline in exchange values. So long as Brazil continues to control exchange, the company will find it difficult to get sufficient funds out of the country to pay dividends on its stock. It is thought, however, that it would not require much improvement in this respect to make it possible to resume dividends.

B. A. Oil

I am interested in buying British American Oil Co. stock and would like your comment.

B. A. Oil Co. is ranked as the second refiner and distributor of petroleum products in Canada. The company has extensive production of crude oil from its own holdings in the United States, amounting to approximately 50% of its Canadian requirements. It is thus in a position to benefit from any improvement in the position of crude oil producers which might easily serve to offset any change for the worse in its refining and distributing operations in Canada. B. A. Oil has been earning its $1 a share dividend from Canadian operations alone by a good margin in recent years. In addition it has received substantial earnings from its operations in the United States. Sales in the first nine months of 1939 have been ahead of last year. Like other refiners and distributors of petroleum products, the company is subject to the influences of higher costs which have forced some increases in selling prices. There is also the threat that too much of an increase in selling price would undoubtedly curtail demand. So far, however, there has been no evidence of any change in the buying requirements in this country. B. A. Oil also has an interest in the production of crude oil in the Turner Valley field in Alberta.

Farm Loans

I have received one adjustment on an Ontario farm from both the provincial and Dominion Government. Would it be possible to get further adjustment?

It would not be possible for any person to obtain an adjustment of a farm mortgage debt under the provisions of the Farmers Creditors Arrangement Act, as this act became inoperative in Ontario on December 1, 1938. The Ontario Farm Loan Board no longer exists, having been terminated in 1935, the same year that the Dominion Farm Loan Board came into operation.

Investors Syndicate

Would you express your appraisal of Investors Syndicate, in which company I have been asked to buy a savings certificate?

Investors Syndicate formed at Minneapolis in 1894, sells savings certificates, which provide for regular installment payments to build up a fixed amount by the end of a period, usually 15 years. At present, a net return of 4% is offered and at this rate 15 annual payments of $120, or $1,800 in all, will give a cash surrender value of $2,500. As in the case of most long-term savings plans, administrative charges are largely deducted in the early years, so that it is not until the seventh year that cash surrender value exceeds the amount of deposits.

The organization is the largest one of its kind on the continent. Under the terms of the contract, the Syndicate agrees to maintain $110 in cash and investments for every $100 of certificate liabilities. Investments are to be in first liens, on improved real estate, government and municipal bonds and other securities which qualify as investments for life insurance companies under the laws of New York State.

Payments may be discontinued for not more than two years and then resumed without penalty. In this case, the term of the certificate is lengthened proportionately. During the defaulted period no interest is credited on sum already deposited. At maturity there are various options for taking a cash payment or leaving funds on deposit to earn further interest.

At the end of 1938 assets were $132.6 millions, compared with $111.3 millions at the end of 1937; $90.9 millions in 1936 and $3.7 millions in 1921.

The company informs us that the currency exchange regulations will not make any difference to its operations in Canada. It is regarded by the Dominion Government as a resident company, and funds collected in Canada have been invested in Canadian securities for some time. Restrictions on the exporting of capital therefore will not affect the company.

Nu-Wall Industries

Are you able to give me any information on Nu-Wall Industries Ltd.?

An official of Nu-Wall Industries Ltd. informs us that the company's first financial year will be completed Oct. 31. The annual report will appear some time in November. There have been no statements issued as to what kind of business the company has experienced or what its earnings have been.

Course of construction of real estate during the present year is problematical. Nu-Wall will stand to gain if construction is accelerated. Until such time as we see the financial statement of the company it would be hazardous to attempt to analyze the financial position of the organization or its prospects for the future.

The stock is not listed on any exchange. Toronto unlisted dealers report that there is no bid at present for the shares, and the stock is offered at $1 a share.

Hiram Walker

Would you regard the preferred stock of Hiram Walker-Gooderham & Worts as a satisfactory purchase at this time?

Hiram Walker-Gooderham & Worts preferred stock has little speculative appeal but carries assurance of continued good return. The company's earnings cover the preferred dividend requirements by a wide margin and there seems little prospect ahead to alter this security behind the stock. With a fixed divident of $1 a share and with the stock callable at $20 a share, there is little incentive to raise the quotation above this figure. In the year which ended Aug. 31, 1939, it is thought that the company earned between $6 and $6.50 a share on its common stock after allowing for interest requirements and preference dividends needs. This is down somewhat from the $8.04 a share earned in the preceding year.

Ford Motor

What is the present position of Ford Motor Co.?

Ford Motor Co. of Canada is the only automobile manufacturing concern in this country in which the investor can participate. The company exports slightly over 50% of its output to other parts of the British Empire with a small proportion going to outside countries. What the effects of war will be on this export market is hard to calculate at the present. A point in favor is that the company is not interested directly in the market in Great Britain but in such of the Dominions as South Africa, New Zealand, Australia and India.

The company is completing a heavy expansion programme which has added greatly to its facilities in Canada and which has been financed entirely out of the company's own resources. With this programme nearing an end, and allowing for continuation of satisfactory earnings, there might be some prospect of an increase in the dividend, but this is not regarded as immediately probable. The company should be aided by the larger purchasing power in western Canada this year, although it is hardly thought that earnings will quite reach last year's level of $1.96 a share on the combined classes A and B stocks. The regular $1 a share dividend, however, should be covered by an ample margin.

Imperial Tobacco

Would you please let me have your opinion on Imperial Tobacco, particularly as regards present conditions and the outlook?

Imperial Tobacco Co. of Canada controls the majority of the tobacco business in this country and over a period of years has established a strong financial position and a well-developed earning power. Both the preferred and ordinary shares of the company are highly regarded as investment mediums. The recent increase in the excise tax on tobacco products, particularly cigarettes, may have some effect on the company's sales and earnings. However, such adverse effect, if it does materialize, is not expected to impair the company's ability to continue dividends on the current basis.

Standard Paving Defers Dividend

Wartime Conditions Bring Uncertainty as to Contracts

Directors of Standard Paving & Materials Ltd. have decided to defer payment of the dividend on the new preferred stock which was due Oct. 1, according to J. F. M. Stewart, president. So much uncertainty exists as to how war conditions will affect the company's present contracts and the letting of new contracts that the directors consider it their duty to conserve liquid resources, says the president.

Business up to Aug. 31 of this year was profitable and earnings under normal conditions would warrant payment of a dividend, it is stated.

Standard Paving carried out a reorganization in May whereby the former 7% preferred stock was exchanged for four new shares of participating preferred and two common shares for each preferred share held. A cumulative dividend of 62½ cents a share annually accrued from April 1, 1939, and the first payment was due at the first of this month. The reorganization eliminated arrears of about $47 a share on the old stock.

Loophole Shut In Stock Sale

Exchange Board Extends Restrictions on Security Imports

The Foreign Exchange Control Board has extended its restrictions on the import of securities to Canada, it has been announced. All applications by residents of Canada for permission to import securities, unless merely for changes in registration, and later re-export, are being refused. All applications for licenses to import securities must now be made directly to the board itself instead of to the collectors of customs and excise as previously.

Earlier regulations permitted residents holding foreign securities to sell them and reinvest in other foreign securities if they wished. The Board found, however, that this arrangement encouraged "a form of activity which defeats the purpose of exchange control, namely, the purchasing of certain securities and their importation into Canada for the purpose of securing an immediate profit." The Board goes on to state that it feels its new ruling will "confine the privilege of switching to legitimate exchange of securities in the market concerned, but at the same time will have the effect of preventing transactions which are not within the spirit of the Foreign Exchange order."

It is thought that the change in the regulations was aimed chiefly at efforts made by certain Canadian residents to circumvent the spirit of the regulations by seeking to purchase Canadian securities in New York and sell them in Canada. If this transaction could be carried out, it would have resulted in a substantial profit, but the action would be contrary to the aims of the Exchange Control.

NEW PRESIDENT

E. J. Brunning, formerly vice-president and general manager of Consumers Glass Co., who has been elected president and general manager, succeeding the late Frank P. Jones as president.

Dominion Tar Reports Gain in Business Volume

From Our Own Correspondent

MONTREAL.—Volume of business handled by Dominion Tar and Chemical Co. in recent months has shown a material improvement, according to an official statement of the company.

Further activity of the railways may call for additional creosoting of ties by the company. As to any war business, the management is as yet unable to tell to what degree the facilities of the company will be employed. In this connection it is pointed out that unlike many another company, Dominion Tar's efforts are likely to be supplementary to others, and therefore it will require time to ascertain how efforts can be dovetailed.

Bar Toronto Firm From Using Mails

Fraud Orders Are Issued Against Columbian Music Publishers

Postal suspension orders in both the United States and Canada have barred use of the mails by Columbian Music Publishers Ltd. of Toronto, which reportedly obtained thousands of dollars from Americans and Canadians through advertisements offering to set song words to music, and to copyright, publish and exploit them.

According to recent bulletin of the Toronto Better Business Bureau, the original fraud order was issued by U. S. postal authorities last November, but enforcement of this order and issuance of a Canadian suspension was delayed until recently by an appeal entered by the company in a U. S. court. The court upheld the order.

The enterprise started operating as the Paramount Music Publishers in July, 1936, but was incorporated under its present name in May, 1937. President of the company is Gerry Cathcart. Complaints and enquiries about the concern began to be received soon after the firm's incorporation, by The Financial Post, Toronto Better Business Bureau and other bodies.

Most of the operations of the company appeared to be centred in the United States, and the Buffalo Better Business Bureau undertook an investigation which led to issuance of the U. S. postal fraud order.

The bulletin of the Toronto bureau says that upon applying for the advertised services of the company, for which a fee of $45 was asked, "all applicants received identical letters of acceptance, advising them they had created masterpieces with splendid commercial possibilities." Even a set of words made deliberately nonsensical and sent in as a test by the Toronto bureau, elicited a glowing letter of encouragement and hints of future returns from radio and movie rights.

CANADIAN SECURITIES

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Canadian Nickel

IN TRANSPORTATION, FACTORY, FARM AND FOREST

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Ships traverse waterways and oceans with condenser tubes of Cupro-Nickel which has lasted six times as long as other metals in this service. Nickel Steels and other Nickel alloys give great strength, reduce wear and breakage and resist corrosion by salt water in vital parts of engines, turbines, shafts and propellers. Freighters, their holds lined with pure Nickel which is rust-proof, corrosion-resistant, and quickly and completely cleaned with live steam, carry cargoes of chemicals, wheat, kerosene, and other materials on successive trips with no fear of contamination.

On our farms and in our forests, in shops, factories, railroads and in heavy industry, new equipment and machinery call for the use of Nickel and still more Nickel to bring strength, dependability and reduced breakdowns at this critical period when production must be maintained.

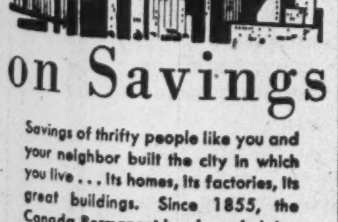
And so as Empire industry gears itself for whatever production may be required, the Nickel industry stands ready to do its share.

NICKEL MONEL

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 KING STREET WEST, TORONTO

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED — 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1938), $11,074,577
Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000

CITIES RISE



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THE ROYAL TRUST COMPANY

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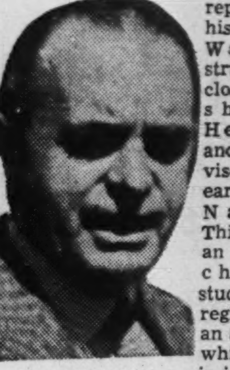
Germany's Dream of Empire

Unlimited Expansion in Eastern Europe is Sought by Germany

Much light on the inner thoughts and objectives of Germany's high command, as well as potent reasons for the inevitability of war are revealed in "Year of Reckoning"—latest book from the pen of G. Ward Price, ace correspondent of the London Daily Mail.

Only few men have had the opportunity which Mr. Price has had of learning at first hand the philosophy and views of German leaders.



G. WARD PRICE

As a roving reporter for his paper, Mr. Ward Price struck up a close friendship with Herr Hitler and his advisers in the early days of Nazi rule. This gave him an unusual chance to study the Nazi regime. It was an association which grew in importance with each rise in the dictator's power and influence.

Thus, through most of the momentous events leading up to declaration of war, Mr. Price was an eye litness, having intimate contact with Herr Hitler and his personal advisers as they shaped and refashioned the history of the world. Mr. Price was with Hitler on his triumphal progress into Vienna at the time of the Anschluss. He was with Chamberlain on his journey to and from Berchtesgaden during the Sudeten crisis. He was the first foreign visitor to be taken to the Fuehrer's extraordinary new "sky-palace" atop the Kehlstein. He has argued long and intimately with Ribbentrop, Goering and other members of Hitler's staff as to their objectives and plans for establishment of the new German "Empire of Europe.

The Nazi Philosophy

Mr. Price quotes a conversation with Herr von Ribbentrop, the Foreign Minister, to explain the philosophical background of the policy upon which Germany embarked when her troops crossed the Czech frontier in March of this year. Mr. Price believes that at that moment a new chapter in European history was opened up. He suggests it was the first step, unjustified by any racial argument, toward the foundation of a German "Empire of Europe" intended ultimately to embody all the states lying between the eastern frontier of Germany and the shores of the Black and Caspian Sea. Germany, he believes, did not necessarily mean to annex the whole of this territory but intended to dominate it. As explained by von Ribbentrop:

"It is natural and inevitable that a great people like the Germans should expand. The British Empire has developed until it owns one quarter of the entire earth. We are more modest; we want only to assure our necessary living state, and when the process is complete, you will find that it is not nearly such a bad thing as it now seems to you.

"Of course we want our colonies back. In the past the British people have been through other experiences which upset them quite as much as the present expansion of Germany. When these developments receded into history you discovered they had not damaged your interest nearly as much as you expected. You learned not only to put up with them, but even to approve of them.

"What Germany is doing now (the absorption of Czecho-Slovakia) represents the fulfillment of a political evolution, and if you could only get it into proper historical perspective and look at it from the point of view of posterity you would realize how natural, inevitable and irresistible it is.

"It is a quite natural and unavoidable process that Germany's small neighbor states to the east and southeast should come into line with her, especially from the economic standpoint. In a period whose outstanding feature is an intense development of means of communication, it is a quite natural evolution that the relations between Germany and these countries should become progressively closer and should thus come to constitute a special sphere of interest in that region of Europe . . .

"We Germans have set our hands to this task because we are destined and fitted to fulfill it. Whether you approve of it or not, you cannot prevent it. If you are unable to agree to the steps which Germany is taking, the best thing for Britain to do is to keep out of our way. Stick to your path and leave us to follow ours.

"Fate has called Britain to be the centre of a great world-Empire. We do not interfere in the internal affairs of that Empire, and we do not recognize your right to interfere with Germany's natural evolution. Only if you realize this will the understanding which the Fuehrer always wanted become possible."

Danger of German Ambitions

Mr. Price explains his use of this somewhat lengthy quotation because he believes it represents the mental attitude of the men who control the policy of the German Government. Though not agreeing with that point of view and, in conversation with Nazi leaders refuting their argument, he has come to know that they hold this outlook with great intensity.

What Mr. Price feels is significant is that ruthless, heavy-handed methods which have been employed within Germany to suppress internal political antagonists are now being extended to international policy.

It was this combination of ruthlessness, plus a fundamental divergence of viewpoint, which Mr. Price felt would almost inevitably lead to war.

The German belief, as Mr. Price read it in the minds of Hitler and his advisers is that the whole of eastern Europe is destined to become her Imperial territory.

"To such an evolution of the international system, Britain and France are opposed by two considerations. One of them, based on the principle that the German appetite grows by eating, is the apprehension that when Germany has brought the whole of eastern Europe beneath her sway, she may turn, immensely strengthened, to attack the two western powers. The other motive is sympathy for the independence of the small peoples which, by the accident of their geographical situation, are threatened with absorption.

"The danger of these opposing views lies in the fact that each of the parties sustaining them is sincere. The Germans firmly believe in their mission of reorganizing the relatively backward and undeveloped regions lying between Central Europe and the border of Asia. They hold that any attempt to obstruct Germany in this great task must be animated by envy, malice and hatred. While they declare their readiness to respect the existing possession of Britain and France, they assert the intention to resist interference with the creation of their future Continental Empire from any quarter.

"This national attitude is not of spontaneous origin. It does not represent any deeply-rooted desire of the German people themselves. But the Germans are a docile race with unquestioning faith in their leaders. For six years past their minds have been subjected to persistent propaganda impressing upon them the fundamental righteousness of the national policy. Their sense of unjust treatment in the past predisposes them to believe that any kind of opposition to it on the part of Britain and France must be malevolent.

"The sense of national unity—volksgemeinschaft—to which the Fuehrer constantly appeals in his speeches, is not a rhetorical invention, but a reality. Men and women of Germany may have lost their liberty of thought and action, which in any case they never learned to value highly, but Hitler has compensated them for this sacrifice by restoring their national pride and confidence. To them this means more than can be realized by a nation which has never suffered defeat, demoralization and despair."

"The German mind is incapable of visualizing—much less of making allowance for—point of view of foreign states. Anyone who steps off the Berlin pavement into the roadway at the wrong place, or where the traffic lights forbid, receives an immediate though dangerous demonstration of this mental characteristic. Motor cars will drive relentlessly at him without swerving or slackening speed. It does not occur to a German chauffeur that the stray pedestrian in his path may be unfamiliar with the traffic regulations. It is enough for him to know that he has the right-of-way.

"Germany now believes that she has the right-of-way in Europe."

British Missteps

Mr. Price traces some of the events which reached their climax in warfare to the fact that from the beginning Great Britain foolishly ignored and failed to seek an understanding with the Nazi regime, based on "non-interference in German internal affairs." He regrets that the British foolishly despised and boycotted this regime; that no member of the British Royal family was allowed to pay Germany a visit in the early days when National Socialists would have appreciated the compliment; that the Prince of Wales was not allowed to represent Britain at Marshal Hindenburg's funeral in 1934.

"If the Nazi leaders, instead of being ostracized, had been treated, despite their internal record, with the same formal courtesy as the heads of other great nations, and had been offered redress, by negotiation, of the main German grievances, their genius for organizing and energizing their fellow-countrymen might conceivably be turned into more peaceful courses."

Mr. Price quotes Marshal Goering as saying:

"We are willing to recognize Britain's position as a World Empire, and even, if necessary, help to defend it. But you, in turn, must recognize Germany's dominant position on the mainland of Europe."

Germans and Italians, Mr. Price points out, feel as though the pride and confidence felt by the British in their Empire 40 years ago has been replaced by indifference. Both countries follow closely the disappearance of emigration to the Dominion and believe that abrogation of the British Government's authority by the Statute of Westminster has weakened the structures of the Empire.

"The Right-of-Way"

"Germany now believes that she has the right-of-way in Europe. This attitude may be condemned as intolerant, but it is useless to suppose that a regime which has overcome so many difficulties and faced so many risks will suddenly abandon it for one of gentleness and consideration.

"That many individual Germans are cultured, broad-minded and generous-hearted, no one acquainted with that country will deny. The rest of the nation falls into two broad classes. The larger of these consists of a submissive mass, which does what it is told and believes what it is told simply because it is told.

"The other main category of Germans consists of the overbearing, aggressive, inconsiderate type which is the favorite material of the foreign caricatures, and is responsible for the savageries reported from concentration camps. A dictatorial system under which personal freedom of thought and action is suppressed offers unusual scope for this kind of mentality.

Mr. Price points out that the present acute international tension (which has now led to war) might still not have developed if Germany had been content to establish a hegemony over the small states of central and eastern Europe, while still preserving their integrity.

He reports a long, animated conversation with Herr Hitler during a tea party on the first occasion on which Hitler visited his magnificent sky palace on the Kehlstein. It was the day after Prime Minister Chamberlain had been at Berchtesgaden and prior to Godesberg and Munich.

Herr Hitler dilated at length and with considerable heat on the reasons why he had been forced to take action to stop the Czech oppression of the Sudetens. Mr. Price suggested that many people in England thought that German championship of the Sudetens was not the end but the beginning of a policy of expansion in central Europe and that Germany wanted to get a foothold in Czecho-Slovakia only because she aimed at opening the way to the oil fields of Roumania and the crops of the Ukraine.

Herr Hitler grunted impatiently.

"I wish such people would look at a map," he said. "I don't need oil fields. I can manufacture oil on a huge scale in Germany. Besides, with a population of 80 millions I shall have so much to do to organize them and provide them with decent living conditions that it would be madness to add other peoples to Germany."

Mr. Price suggested that even without annexing them, Hitler might impose the principles of National Socialism upon them and establish Germany's political influence throughout central Europe.

"That idea," retorted Hitler, "that we want to inoculate the whole world with our principles is simply absurd. Nationalist Socialist principles have done so much for Germany that we have not the slightest desire to export them. They are a fundamental advantage to our national strength. It is not Germany's political influence but her economic influence that I want to extend.

Nerves at High Tension

Apart from economic consideration, Mr. Price suggests briefly an answer to the question, "Would the Nazi organization itself stand the strain of war?"

His view is this:

"Like all human institutions, the Nazi organization is full of jealousies and rivalries, but these are counteracted by the instinctive German sense of discipline and by a sense of personal devotion to the Fuehrer. The only potential human weakness that can be detected in this intensely organized nation lies in the fact that its nerves are already highly strung."

German confidence, thinks Mr. Price, is largely based on the belief that British democratic institutions automatically deprive that country of strong and vigorous leadership. Germany expects to see the Empire go the way of Spain and for the same reason.

Note — "Year of Reckoning," by G. Ward Price, is published by Cassell & Co. Price $3.25.

Control Board Use Advised In Sending Funds To U.S.

In order to escape delay and possible embarrassment, Canadian citizens wishing to send money to the United States, in the ordinary course of business, would be well advised to do so by means of a bank draft or money order.

It has been repeatedly said that the Foreign Exchange Control Board has no intention of interfering with ordinary business. It has also been stated that while permits are necessary to send any large amount of money out of the country they are not necessary in the case of small sums. Yet this does not alter the fact that money being sent out of the country is expected to be sent with the cognizance of the Board.

Within the last few days a Canadian citizen sent a subscription to a magazine published in Chicago. The price was $4. When the letter reached its destination, it had been opened by the censor, and a note attached to the cheque advising the recipient to return it.

Enquiry reveals that the censor's action was taken with regard to the regulations of the Board which require all transfers of funds to go through its agents. Had the subscriber bought foreign exchange at any of the chartered banks or other agents of the Board, no question would have been raised. It has also been pointed out, that it is to the advantage of the resident in Canada, wanting to send funds across the line, to do so through an agent of the Board from whom he will get the fixed rate of exchange. Otherwise he is liable to pay considerably more.

For instance, it is stated, that during the last few days while the Board has been buying and selling United States exchange at a premium of 10 to 11%, in some United States cities a discount of 13% on Canadian dollars has been charged.

The opening of letters by the censor, is now a fairly common practice.

Postpone Vote For Alberta

Social Credit Government Expected to go Full Term

From Our Own Correspondent

EDMONTON.—Alberta will not have a provincial election during 1939. Premier Aberhart announced recently that a vote this year would add "unnecessary confusion" in view of the war situation.

But hoisting the election will serve only to heighten the confusion when the vote finally is called, probably early in 1940, political circles here believe. The Social Credit Government's full five years will be completed in August next year.

Expected in Fall

Several weeks ago, Government activities pointed to speedy preparations for an early vote. Efforts were being made to revive Social Credit groups throughout the province. Printing of election forms was started. Premier Aberhart himself conducted a speaking tour prior to the visit of the King and Queen to Alberta.

Opposition parties were expecting an election in the early fall. Organization work was accelerated. Nominating conventions were called and by the middle of September there were 55 candidates already in the field.

C.C.F. topped the list with 22 entries named. Independents followed with 21; Liberals, five; Independent Progressives, four; Labor, two; Communists, one. It was significant that no Social Credit candidates had been named, indicating to observers here that Premier Aberhart awaited announcement of a federal election before setting his own machine into operation.

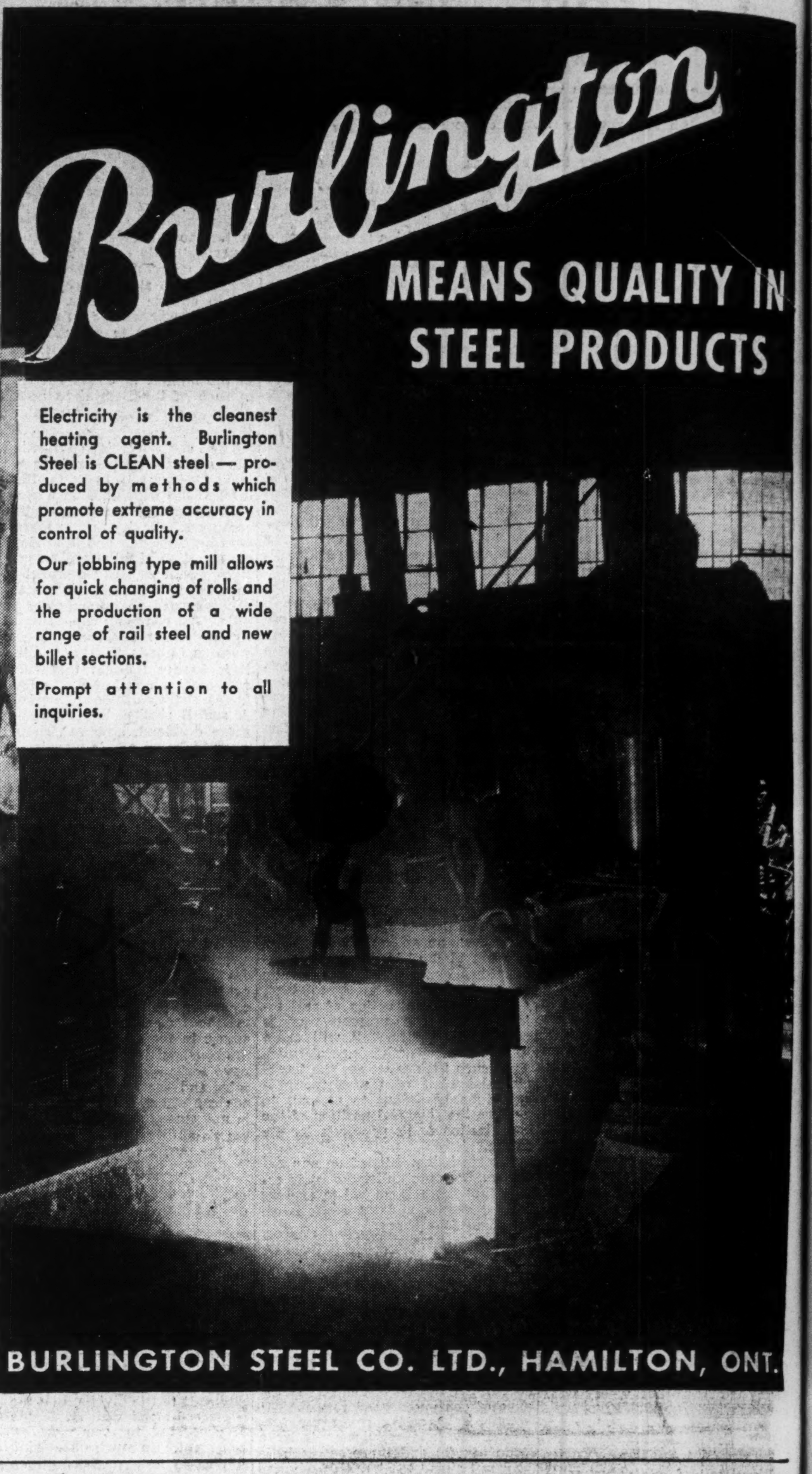
Candidates Now Mark Time

As it stands now, candidates already in the field will have an all-winter wait before getting into a campaign. It is unlikely that further nominations will be made until spring or until an election is announced.

Strength of the anti-Aberhart independent or Unity movement will be given the test of time. This effort toward political co-operation for defeat of the Social Credit Government appeared to be gaining ground as election prospects were bright early in the summer, although there was some confusion as to who would control if the Government was defeated.

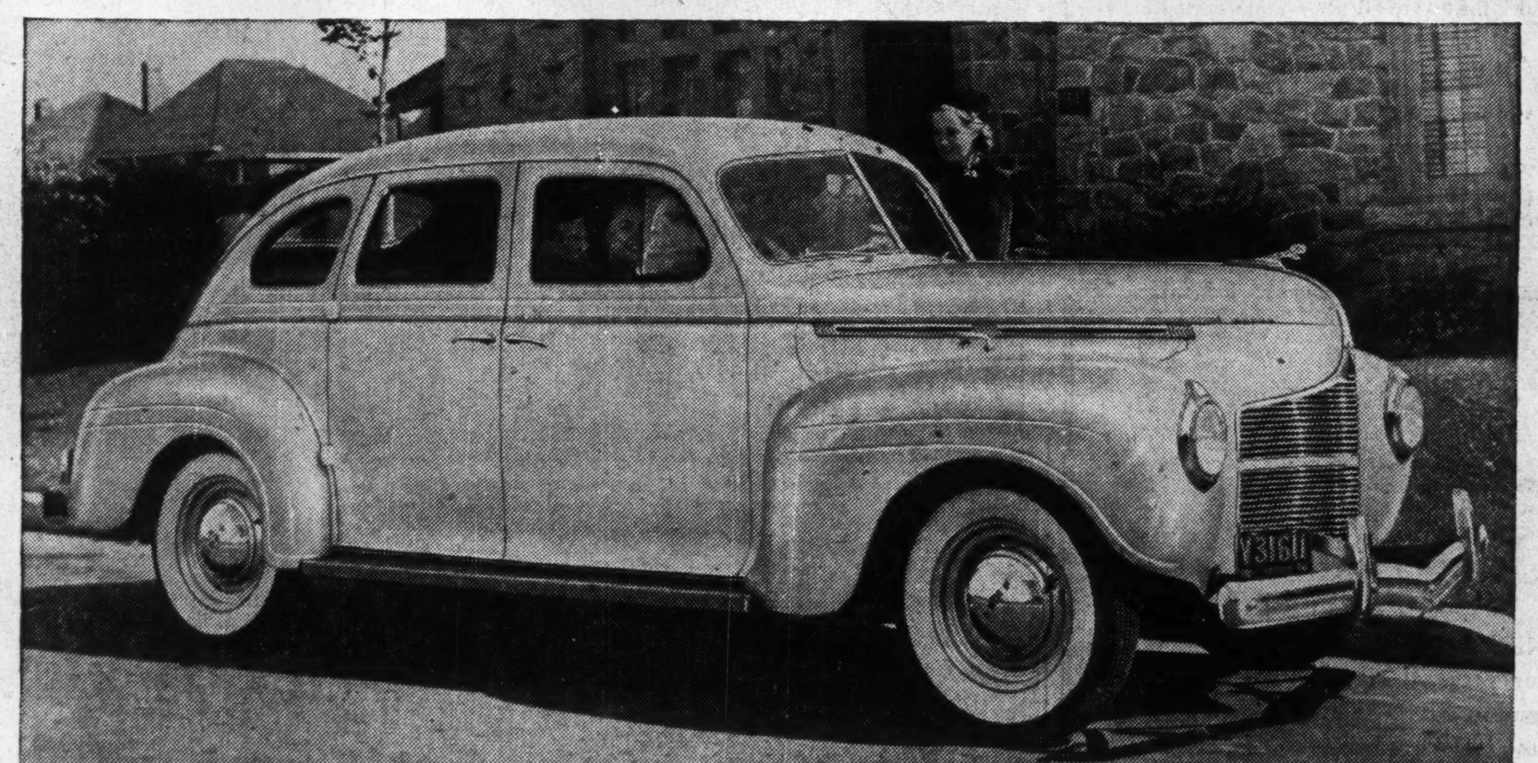
There were indications of growing discontent among some Social Crediters. Several groups opposed the "advisory board" method of naming S. C. candiates. This involves picking a group of candidates from which one is later selected by a board headed by Premier Aberhart.

All these difficulties may be tackled by the respective factions during the winter. But the summer excitement has died down and whether it can pick up where it left off without a complete repetition of last spring's organizing remains for next spring to reveal.



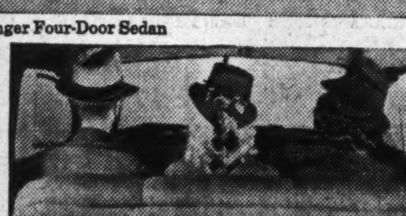
DODGE NOW SHOWING THE NEW 1940 Kingsway

NEW FROM BUMPER TO BUMPER: A BIG BEAUTY *Inside and Outside*



1940 Dodge De Luxe Special 6-Passenger Four-Door Sedan

All 1940 Dodge cars have the Dodge Handy-Control Gearshift. Gearshifting is simpler and easier . . . front compartment floor is free of obstructions . . . three can sit comfortably in the front seat. Horn ring standard equipment on Custom and De Luxe Special.



Bodies in all Dodge cars for 1940 are 55 inches wide at the front seat, 56 inches wide at the rear seat . . . wider than the seats of three armchairs. Sit in a new Dodge Kingsway and see for yourself.

Rear doors in all Dodge cars for 1940 are straight up and down on BOTH sides like a house door. You walk in and walk out easily.

The rear view of the new 1940 Dodge cars is a symphony of curves. The trunk is larger and the floor of the trunk is level with the bottom of the opening. The rear window is larger, has no dividing strip and is curved to fit the body.

"FULL FLOATING" RIDE
ALL PASSENGERS SIT IN THE "*Comfort Zone*"

EXTREMELY WIDE BODY ON 117" WHEELBASE CHASSIS

● All this size, beauty and luxury and the great Dodge reputation will cost you nothing extra. The amazing truth is that the Dodge Kingsway price is right down with the other three LOWEST PRICED CARS!

The Dodge Kingsway Sedan is a true six-passenger car . . . SIT in a Kingsway and you will instantly see that the seats are as wide as the seats of 3 armchairs . . . and as you sit you will *see* more because the greatly increased GLASS AREA in the Kingsway gives you visibility like an observation car. The "Full Floating Ride" is first introduced to the lowest-price field in the Dodge Kingsway . . . the seats are located in the "comfort zone" well forward of the rear axle . . . Like amidships in an ocean liner, you ride at the point of least up-and-down motion.

Generous interior dimensions are matched by wide doors that OPEN wide . . . the trunk is very spacious and the wide lid gives you easy access . . . the 84 horsepower Dodge engine gives you power to spare. Lower centre of gravity makes the Kingsway steady on the turns and safer to drive.

Prove these claims for yourself. Phone your Dodge dealer and drive a Kingsway. Get the thrill of its luxury and amazing driving ease. Learn for yourself what a "Full Floating" Ride *really* means.

DODGE KINGSWAY COUPE
DELIVERED in Windsor, Ont. $860
License, freight and local taxes (if any) only extra.

● COMPARE THE PRICE WITH THE VERY LOWEST PRICED CARS ●

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War Factors Alter Auto Industry Outlook

New Model Year Entered Under Changed Conditions

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

The automobile industry in Canada is crossing the threshold of a new "model year" with the war in Europe already six weeks under way. More significant, the reflexes of Canada's participation in that war are becoming increasingly evident and are bound to react upon the industry.

From all present indications, the conditions of war will continue to prevail for at least the remainder of the model year currently being launched, with introduction of 1940 lines. The probability is that the industry will still be affected by special war factors when it presents new models and improvements for 1941—perhaps for 1942 and other years.

Even if the war should stop or be suspended by the end of next year, it poses a variety of special problems with which the industry must grapple. Some of these developments have already arisen, or are shaping up in general outline to demand adjustment of the industry to them.

Other emergencies are but conjectural, or may arise unexpectedly to tax the adaptability of the motor makers.

The prospects engendered by war for the automotive industry are far from being all difficulties. No doubt every company in the field will run into knotty obstacles in production, marketing and distribution of motor vehicles. Their ingenuity will be taxed to meet each situation as it arises.

But these are just as likely to involve trouble in producing and delivering to meet greater demand, as they are to centre on restriction of markets, curbs on operation of private cars, financial complexities, shipping problems, and curtailment of production facilities.

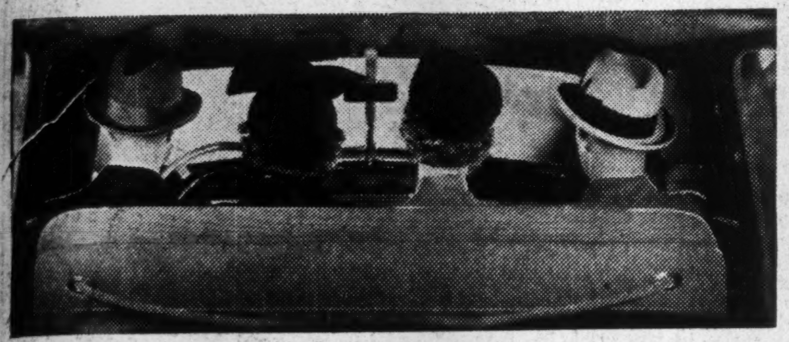
Few Precedents

One noteworthy phase of the war period now starting, almost coincidentally with a new model year, is that automotive executives will have few if any precedents to guide them. In the early years of the last war, the automobile industry had barely begun to develop. In comparison with the mammoth structure of the industry today, it was but a modest nucleus. In Canada it was still in the spawning stage. Production of automotive units in Canada last year was six to seven times greater than 1914.

In 1914-18, automobiles had not begun to attain the widespread and necessitous use they have today. They were produced in limited numbers, they were expensive both to buy and run, and only the fairly well-to-do could afford them. The comfort and efficiency of modern automobile lines, and their moderate costs, were undreamed of. The industry had not developed its huge plants, its elaborate distribution sytem, the flexible power of its resources.

The late years of the last war and the few years after the war proved the springboard for the industry's great progress and expansion of the last quarter century. Emergency conditions, tremendously widened employment and spending power, coincided with the rapid headway of the auto manufacturers in refining and stabilizing their product. Marvels of mass production put cars within the reach of even modest incomes.

It may be that the present war will give a new impetus to the progress of the industry and widen still further the use of its products. If so, this will likely come more swiftly than it did 25 years ago, for Canada is reacting far more directly and rapidly to the exigencies of wartime than we did in 1914.



Notable characteristics of 1940 car lines is their greater roominess and comfort, strikingly illustrated by this rear view photo of four persons fitting comfortably into a front seat.

Period of Adjustment

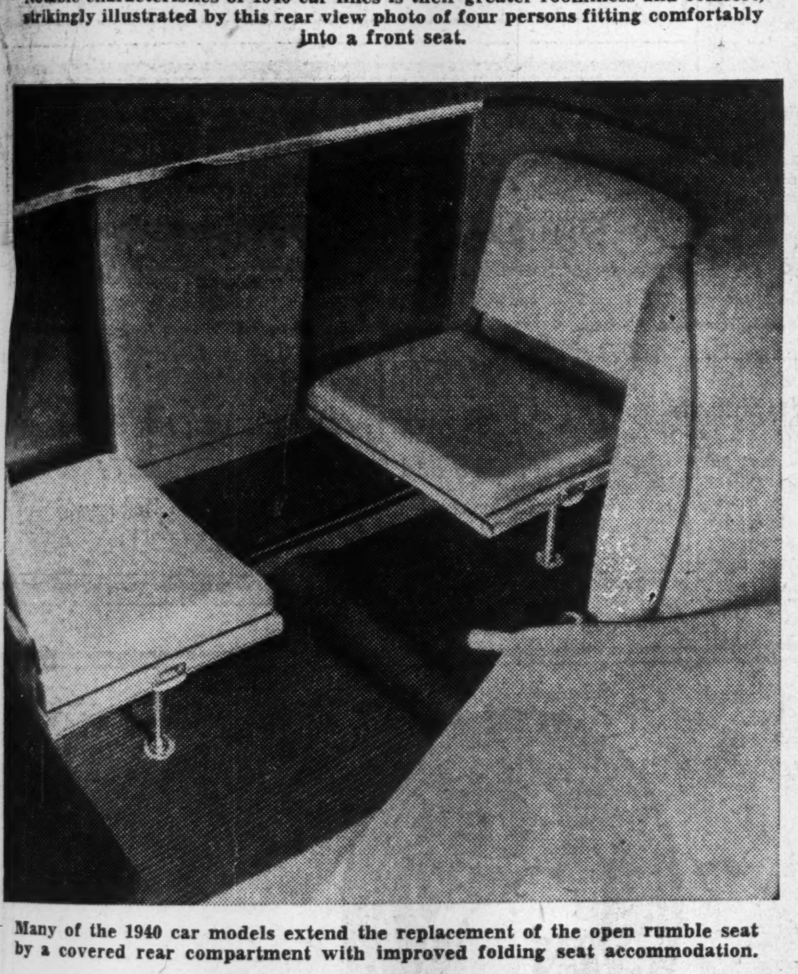
Nevertheless, there inevitably will be some period of adjustment, however much shorter it may be than 1914-16. Before the industry in Canada can respond to the stimulus which it probably will derive out of the war acceleration of business and industry, there are various war created factors to which it must orient itself.

It is assumed that more people will have money with which to buy cars, as a result of the war-broadened base of Canada's financial, industrial and business structure. Even so, the auto makers will have many more war problems than the comparatively simple one of supplying the cars that people want.

Broadly speaking, the war factors in the current outlook for the production and marketing of automobiles in Canada fall into two main categories:

1. Those directly affecting the "Big Three"—Ford, Chrysler and General Motors—with manufacturing plants in Canada.

2. The considerations involving the other leading auto producers, all of whose Canadian-sold cars are imported from U. S. plants, though some of them in the past have operated manufacturing or at least assembly plants.



Many of the 1940 car models extend the replacement of the open rumble seat by a covered rear compartment with improved folding seat accommodation.

Position of Importers

The chief problem of the second group is that of the exchange discount on the Canadian dollar. This automatically adds 10% to the exported price of cars from the U. S., on top of tariff, sales tax and other charges. Particularly in the case of low or medium priced cars where a margin of $50 or $100 is a serious consideration, the exchange factor is admittedly a check on Canadian sales.

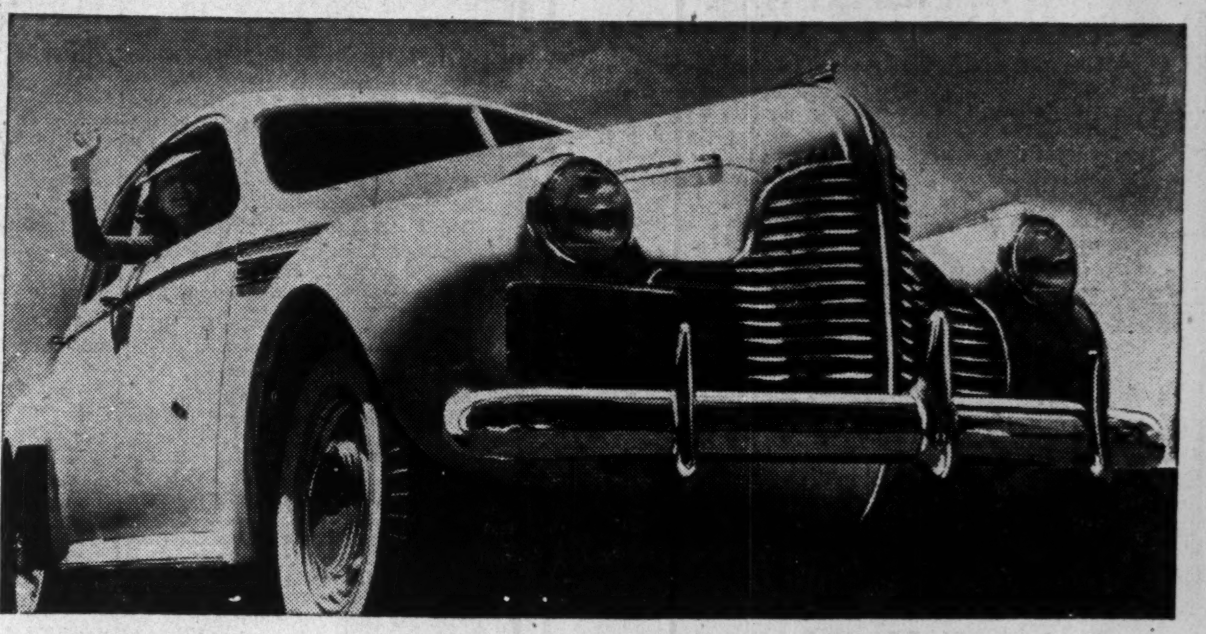
In the case of a new "midget car" brought out only this year, it has virtually choked off such limited sales headway as had been made in the couple of months before the war.

The importing group are also threatened with labor troubles resulting from quickened industrial activity in the United States, which might hobble production in U. S. auto plants and slow deliveries to Canadian as well as American buyers.

Such factors are offset, of course, by the expectation of greater activity, buying power and car demand in Canada, as a result of wartime industrial operations. Also, in several cases the 1940 U. S. prices of imported cars have been reduced, enabling Canadian distributors to quote prices little if any out of line with 1939, despite the exchange.

In regard to the companies operating Canadian plants, the situation is complicated by the fact that a substantial portion of their Canadian output, ranging up to 50%, normally goes to Empire export markets. At the moment, the war has made prospects for continuance of previous sales volume in those markets decidedly uncertain, if not definitely unfavorable.

In the first place, the depreciation of sterling in relation to the Canadian dollar has put Canadian car manufacturers in their export markets in much the same position as the companies which supply their Canadian market from U. S. plants. Australia, New Zealand, South Africa and other Empire territories are on a sterling basis. Residents of these markets are obviously not going to be over eager to pay an exchange premium to buy Canadian cars—however much they may want such cars.



The new sealed beam type of headlight is the chief new feature of 1940 auto models currently being introduced. Standard equipment on virtually all makes, they are frequently set flush with fenders, as on the new McLaughlin-Buick Roadmaster series illustrated above.

Export Curbs

Another obstacle to normal export business is the difficulty and added cost of making overseas shipments. In addition to the expense and trouble of obtaining adequate export cargo carriers, there will, of course, be considerable risk attendant upon shipment of all types of products over long ocean distances. However, this will likely be less serious in regard to trans-Pacific shipments to Australia and New Zealand than traffic across the Atlantic.

A factor being closely watched by Canadian car exporters, more for its potential future effect than for its immediate impact, is the limitations that have been and may be imposed on operation of private autos in Empire territories. Already New Zealand has adopted regulations similar to those in England, rationing gasoline purchases and limiting the use of private cars.

So far, no word has been received of similar curbs in Australia, South Africa or other Empire markets, but extension of such measures is a possibility that has to be considered. It is not thought likely that steps of this type will be taken in Canada—for some time to come, at any rate—in view of our possession of sources of supply of both gasoline and autos.

Effect of various adverse factors on export business of Canadian car producers will be mitigated to some extent by the same influences that should stimulate domestic output in Canada. Expansion of industrial activity, employment and purchasing power will foster demand for new cars. And such shipping difficulties as apply to export shipments from Canada will apply equally to shipments from English car factories, the only alternative source of automobiles for other Empire territories.

Even in the domestic Canadian market, the outlook for the companies producing cars in Canada is not without its clouds. But on the whole it is brighter than either the Empire export field or the prospect for the importers of cars from U. S. plants.

Even before the war brought prospect of freer circulation of money and greater demand for cars, there were signs of recovery in 1940 from the off year experienced in 1938-39.

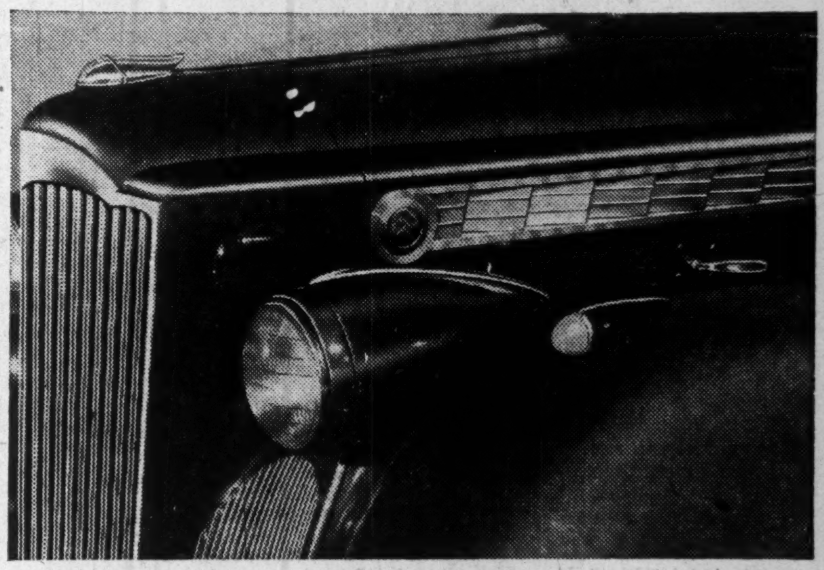
Production schedules of U. S. plants for the latter part of this year have already been set at anywhere from 30% to 100% higher than the end of 1938. Expectation below the border is that general recovery and effect of war, however indirect, will accelerate domestic business and offset any losses in the export field.

Because of various war uncertainties, Canadian plants have not announced definite figures, but indications are that production for Canadian distribution will be attuned to prospect of greater sales.

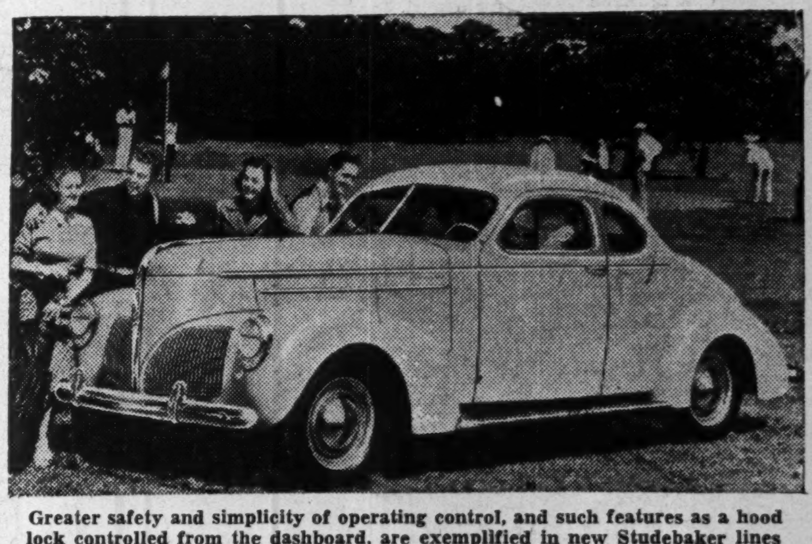
Operating with the double advantage of a tariff and the exchange cost on imported U. S. cars, Canadian car producers are in excellent position to gain a large share of any increased car demand in the Dominion. Against this must be set the probability that as the war proceeds the costs of labor and materials will tend upward. Some material prices have already edged upward.

For the time being, however, this has not become a serious factor. And this is reflected in price levels on 1940 models of Canadian-made cars, which so far are

(Continued on page 20)



Extended use of streamlined contours in new car design is evident even in the Packard line, long famous for traditionally sharp cut hood shape. The hood of a new Packard Eight is pictured above.



Greater safety and simplicity of operating control, and such features as a hood lock controlled from the dashboard, are exemplified in new Studebaker lines such as the Commander coupe (above).

National Motor Show

Place: Automotive Building, Canadian National Exhibition grounds, Toronto.

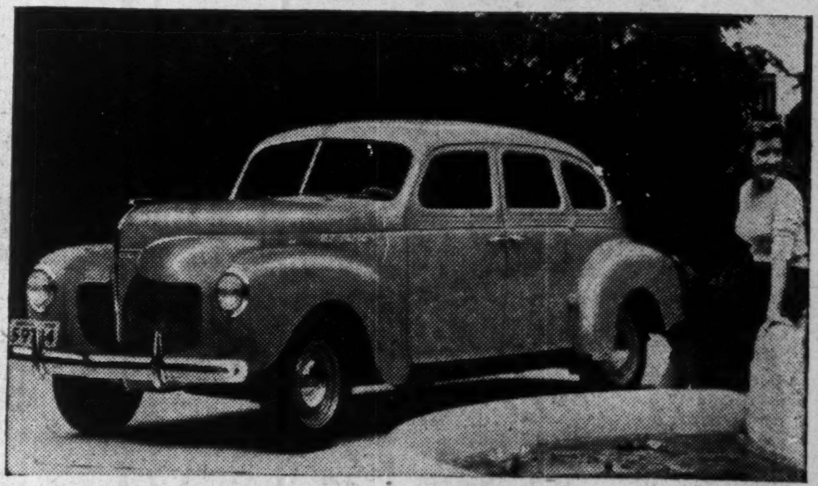
Time: Saturday, Oct. 14, to Saturday, Oct. 21, inclusive.

Presenting: The new models and improvements of passenger cars and trucks produced by 18 manufacturers, with a total of 43 exhibitors of automotive and allied products. Special showings of motor boats, trailers, etc. Displays embracing materials, parts and finished products made in over 300 Canadian factories.

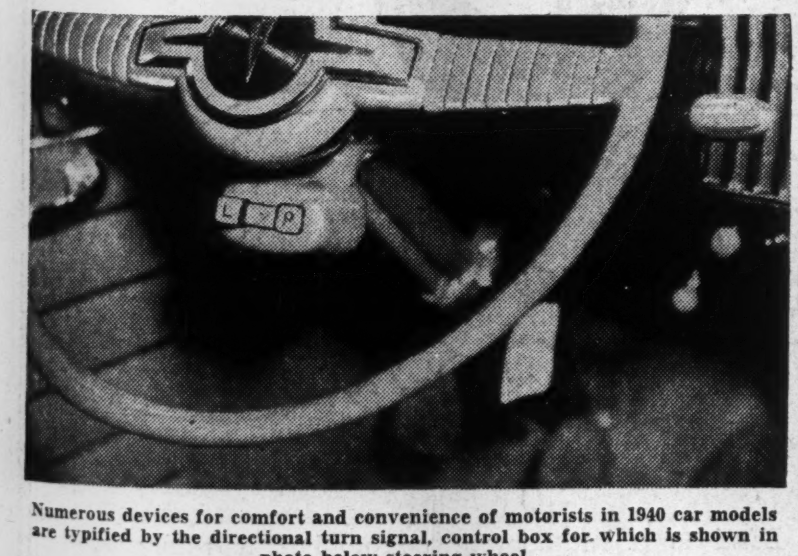
Theme: Giving leadership for "business as usual" and stable wartime operation for Canadian industry as a whole. Demonstrating not only the progress of the automotive industry but its capacity to serve under wartime exigencies. Encouraging Canadian business generally to be even more alert and efficient in war than in peace.

Programme features: Cabaret entertainment afternoon and evening and dancing every evening. Show will be scene of breakfast, luncheon, tea, dinner and business meetings of automotive, auto sales, local business, service club, social, and patriotic organizations. Official opening ceremony by Lieutenant-Governor dropped this year because of war, and opening date is week earlier than planned to make way for military occupation of Exhibition Grounds by troops in training.

Special exhibit: "Miss Canada III," recent winner of President's Gold Cup powerboat race at Washington. The trophy, valued at $15,000, will also be on display for the first time outside of the United States. Boat owned by E. A. Wilson, of Ingersoll.



Further streamlining of body design has been accompanied by smoothing of contours through removal of such projections as door hinges, as illustrated above by a DeSoto sedan.

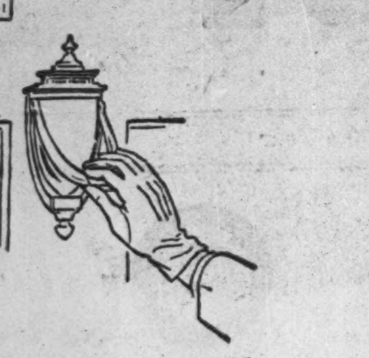


Numerous devices for comfort and convenience of motorists in 1940 car models are typified by the directional turn signal, control box for which is shown in photo below steering wheel.

Coupled with greater roominess in the new cars, interiors have been made more comfortable and luxurious, as illustrated by this photo of a Nash Lafayette.

Fingertip gearshift levers on steering columns and draftless ventilation window control, have been extended in 1940 models into the low price field. Both features are offered in the Ford V-8 line, a De luxe model of which is shown

Continuance of streamlining trend on 1940 car models has led to elimination of running boards on some lines, such as the Willys model shown above.



OPPORTUNITY

● Mark Twain, so the story goes, was once called on by a stranger carrying a large box under his arm. The visitor asked Mark Twain to investigate a new invention; offered him a substantial share in it for $500. But Twain was busy and asked to be excused. The visitor, who had not even demonstrated his product, made for the door. "Just a minute," said Mark Twain, "what did you say your name was?" "Bell," replied the other sadly, "Alexander Graham Bell"—and departed.

In business today one can rarely afford to overlook new ideas in merchandising. It is worthwhile to investigate every new means of increasing sales, to keep an open mind. The one avenue that you do not explore may be the road to new profits.

Take "Cellophane" cellulose film, for instance. Have you investigated its possibilities as a packaging medium; have you given close study to its remarkable qualities as a merchandising aid? A full discussion of the possibilities it offers may be definitely advantageous to you. We shall be glad to co-operate.

C-I-L *Write "Cellophane" Division, Canadian Industries Limited, Box 10, Montreal, Que.*

Cellophane
C·I·L CELLULOSE FILM

Pulp and Paper Industry

War Disrupts States' Import Paper Trade

Bullock Reviews Dislocation of Paper Specialties Trade 1914-18

WATCH FOR DUMPING

From Our Own Correspondent

MONTREAL.—Hostilities in Europe will entirely disorganize the present trend of paper imports into the United States, to judge from the import records of 1914 to 1918, according to a survey of the situation by Warren B. Bullock, manager of the Import Committee of the American Paper Industry and published by the Paper Trade Journal. To what extent the trend of that period may be repeated in the present emergency cannot be foreseen. However, some salient features of war trade in the 1914-1918 period may possibly give a clue as to the current trend.

Imports of dutiable paper into the United States for the year ended June 30, 1914, were valued at approximately $7 millions; there are no statistics showing the tonnage imported of many standard grades. During the calendar year of 1918 the value of imported dutiable paper totalled $13 millions, but of this amount nearly $9 millions was of cigarette paper. A rapid rise in the price per pound of imported paper is evidenced in all statistics which show tonnage of imports as well as values.

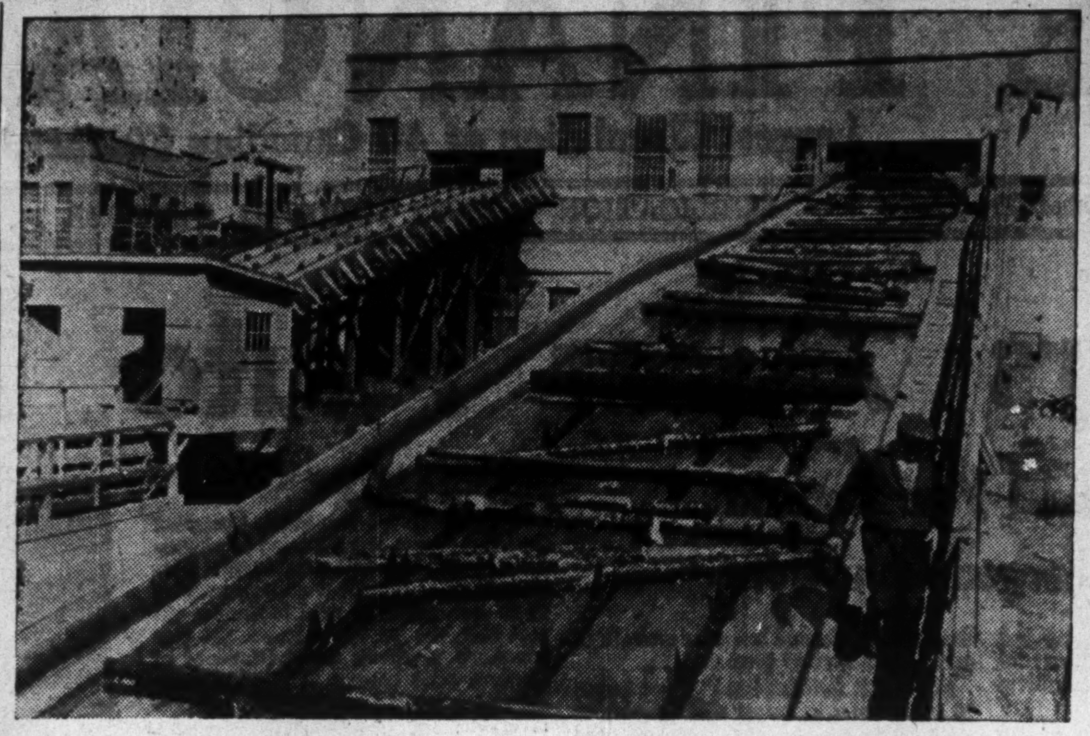
Imported Specialities

Wrapping paper imports in 1918 totalled approximately 4,000 tons, valued at $541, compared with 1914 imports of 18,000 tons, valued at $1,028,000. Dutiable printing papers imports dropped rapidly in the first year of the war. On the other hand imports of all dutiable papers and paperboards, inclusive of cigarettes, wrapping, coated and printing, increased in value in 1917 to the highest figure ever known up to that time.

Last year Germany, Austria and Czecho-Slovakia furnished about 14% of the total value of imported dutiable paper. It would seem assured that a very large proportion of this business will be excluded by conditions, though in 1916 Germany was still shipping a considerable quantity of paper through the Allies' blockade. Exports of most grades of paper from France and England showed practically no dropping off in quantity in 1916 as compared with 1914, and in some cases there were actually increased shipments.

U. S. Customs Watch Imports

Customs officials at Washington will not allow the present situation to interfere with the normal investigation and action on cases of suspected undervaluation, misclassification and dumping. Cases now pending will be carried forward as usual. Over 1,000 cases initiated by the Import Committee are now awaiting trial in the United States Customs Courts.



FROM THE POND

Most pulpwood for newsprint manufacture in Canada is floated to the mill and collected in large ponds. From these the logs are hoisted by mechanical conveyors, like that shown above, to the saw mill where they are cut into short standard lengths. Photograph shows the hoisting operation at the Price Brothers Riverbend plant, which is located near head of famed Saguenay River in northeastern Quebec.

Newsprint Securities

St. Lawrence Paper

Preferred Stock Sells for Less Than Arrears of Dividends — Company Strengthens Position

From Our Own Correspondent

MONTREAL.—St. Lawrence Paper Mills Co. reported a profit of 41 cents a share on its preferred stock in 1938. Although much will depend on final provision for reserves, this year it may earn $2 a share or better. Next year it could step this up again.

The market value of the preferred has ranged over a wide field in the last 8 years. It has sold as low as 1⅜ and as high as 97. Currently it is selling around 46, up 26 points from the year's low and 3½ points under the year's high.

On its record the preferred can hardly be considered as an investment medium for the widow or orphan; in some quarters it might not be classed even as a "businessman's purchase." But even though of speculative calibre, the preferred stock has a number of features warranting consideration.

Started by Noah Timmins

The company was organized originally in 1920 by the late Noah A. Timmins, who achieved prominence for his connection with Hollinger Gold Mine. With his associates he formed the Three Rivers Pulp and Paper Co. In 1922 the company was recapitalized, a Dominion charter obtained and the name changed to the present one. It was a successful venture. Six years later the company was sold, shareholders receiving in cash, $125 for each preferred share and $110 for each common share.

Generous Capital Set-Up

Financing of the new company (the present St. Lawrence Paper Mills Co., Ltd.) was carried out on a very generous basis in the early part of 1928. The company issued $14,225,600 of 6% cumulative preferred stock and 514,675 shares of no par value common stock.

Under terms of sale the late Mr. Timmins and Ernest Rossiter, shareholders in the old company, purchased for cash, 180,000 shares of common; 130,000 shares were offered to the public at $32 a share; a small block of 15,000 shares figured in the deal whereby the preferred stock of Lake St. John Power and Paper was purchased; and 190,000 shares were offered to the public in units with the preferred stock at $28 a share.

Hit by Depression

For the first two years St. Lawrence Paper Mills prospered. The preferred dividend was earned and paid. Then the depression set in.

Though St. Lawrence Paper has no bonded debt, it has a good-sized block of preferred stock carrying a cumulative dividend. The regular rate was paid to the end of 1930. The quarterly payment of 1½% due on Apr. 15, 1931, was reduced to ¾ of 1%. When the next quarterly payment date rolled round, the company was not in a position to pay.

Dividends have accumulated and currently amount to $51.25 a share, or $5.25 more than the market value of the stock.

Seven Year Record

The record of St. Lawrence Paper Mills since the bottom of the depression to date—a period of 7 years—is set out in the following table:

Year	Output in Tons	Net Revenue♣	Earned per Ton of Paper	Earned per Sh. of Pref.
1932	53,376	$286,671*	$ 5.37†	$ 9.10*
1933	39,042	430,887*	11.03†	4.94*
1934	102,492	366,981*	3.58†	2.58*‡
1935	108,348	30,964*	0.29†	0.22*‡
1936	123,812	292,039	2.37	1.68‡
1937	147,417	855,794	5.07§	1.16‡‡
1938	94,490	466,620	4.94	0.41‡‡

♣ Available for depreciation and preferred dividends.
* Deficit.
‡ Before depreciation.
‡‡ After depreciation.
† Loss.
§ Excluding $108,000 from investments.

Progress is Noted

Several things can be learned from this table. The general trend of sales has been upward. There was a sharp falling off in 1938, but output for 1939 will b. on a higher basis. While not as good as in 1937, it should not be forgotten that the price of newsprint has advanced from $42.50 in 1937 to the present level of $50 a ton. Increase in the price of paper will more than likely offset the loss in tonnage.

Costs also have advanced of late, but here again an important point in favor of St. Lawrence Paper Mills is that it has no debt charges payable in American funds; a problem which has to be met by many other newsprint companies.

Net revenue position of the company has improved. The gains have not been spectacular, but close examination of the figures will show that the company is operating more economically now than was the case a few years back, a tribute to the improved management.

Operations More Economical

This is reflected in earnings per ton of paper produced. Of course the larger scale of operations has an important bearing on this calculation, but even allowing for that the company is making headway.

Earnings per share of preferred stock follow the same general trend; a relatively heavy deficit per share in 1932 having been converted into a small profit last year.

Effect of the depression years on finances of the company is well illustrated in the net working capital returns. Up to 1932 the company had at least a million dollars of net working funds. The low point was reached in 1937 when current assets exceeded current liabilities by only $312,027. In 1938 there was an improvement to $659,333 and by the end of this year the figure should again be over the million dollar mark.

Stake in Lake St. John

Another favorable feature in considering the position of the company is that any improvement in the newsprint situation will react beneficially to Lake St. John Power and Paper, in which St. Lawrence Paper Mills holds all the preferred stock and a majority of the common. In 1937 this proved an important source of income for St. Lawrence.

An Erratic Stock

These are the favorable factors. There are unfavorable ones. Probably the most detrimental influence on a wider investment interest in the company is the highly erratic stock market performance of the preferred stock. The swings are sharp and wide. This is disturbing to the ordinary investor who likes to see his stock move along normal lines. St. Lawrence Paper Mills preferred does not move that way. In each of the last seven years there has been a spread of more than double between the low and high for the year. This is an ideal condition for the speculator, but slightly confusing to the investor.

* * *

NOTE: This is the second of a series of articles to be published from time to time, dealing with pulp and paper securities selling at a discount or which have some unusual feature calling for comment.

Screenings

One of the weaknesses seen in the action of the newsprint manufacturers in setting the price for the first quarter of 1940 was the possibility that American publishers might start stocking up as they did in 1937. Such a danger was not altogether fanciful as is seen in the current bulletin of the American Newspaper Publishers Association. It draws attention to the fact that some members are "hoarding," even allowing for a 10% increase in consumption. The Association rightly points out that ordering beyond normal requirements might cost the publishers far more than any apparent saving and says further that if publishers do not take the long range view they are heading for troubles they alone can avoid.

* * *

U. S. Tariff on Pulp

There has been a barrage of "expert" opinions in the American trade journals to the effect that there will not be any serious interference with imports from northern Europe. Raymond B. Stevens, head of the U. S. Tariff Commission, thinks otherwise, increasing the hope of American and Canadian pulp producers that there will be a wider and stronger market for their products.

* * *

Stock Market Check

The drop in newsprint security values over the past week was not an unmixed blessing. One of the intangible dangers facing the industry was the possibility that policies might be influenced by the stock market. Faced with the opportunity of re-establishing and widening markets, the Canadian manufacturers have laid down a conservative policy. It was not designed to produce spectacular results; rather was it formulated with an eye to future stabilized and profitable operations. Security values advanced too rapidly; discounting anticipated improvements not for six months ahead, for a year or more. In the past pressure on company's executives to make good inflated security values by showing higher earnings has meant the kicking overboard of more than one sound policy.

FRASER COMPANIES LIMITED
FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
Manufacturers of
LUMBER SULPHITE PULP PAPER BOARD
GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
Executive Office: Dominion Square Bldg., Montreal, P.Q.
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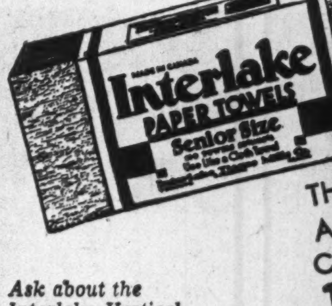
DONNACONA
INSULATING PRODUCTS
FOR EVERY INSULATING PURPOSE
Alexander MURRAY & Company LIMITED
MONTREAL TORONTO HALIFAX
SAINT JOHN WINNIPEG VANCOUVER


A CANADIAN PRODUCT THAT PROMOTES HEALTH AND ECONOMY FOR CANADIAN BUSINESS
Interlake TISSUE MILLS CO., LIMITED Toronto, Canada
Ask about the Interlake Vertical Dispenser

ANGLO-CANADIAN
PULP AND PAPER MILLS
LIMITED
Manufacturers of
NEWSPRINT PAPER
CAPACITY: 600 TONS DAILY
OFFICES and MILLS at QUEBEC CITY
Direct Connection With Both Canadian Railways
Privately-owned Wharf on Tidewater

The GREAT LAKES PAPER COMPANY Limited
DIRECTORS
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H. PONTING
C. B. SHIELDS
R. G. MEECH, K.C.
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Manufacturers of
HIGH-GRADE NEWSPRINT
and
SULPHITE PULP
A modern mill affording an annual capacity of 110,000 tons newsprint, also excess sulphite mill capacity sufficient to provide 15,000 tons annually of unbleached sulphite pulp for export.
PAPER MILL AT
FORT WILLIAM, ONTARIO
TORONTO OFFICE
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7 REASONS WHY DOMINION BATTLESHIP LINOLEUM floors.. ARE BETTER!

SMALL UPKEEP
Dominion Battleship Linoleum cuts janitor costs; it takes far less time and effort to keep clean. An occasional waxing is the only other care.

BEAUTY
There are no less than 11 colours for your Custom-built floor of Dominion Battleship Linoleum, with widest scope for original design.

PERMANENCE
With Dominion Battleship Linoleum, your floors are covered permanently and will carry heavy traffic for years.

QUIET
Dominion Battleship Linoleum ends the noisy clatter of boot-heels. It is resilient underfoot: sound-absorbing; shock-absorbing; a pleasure to walk on.

LOW COST
The first cost of a Dominion Battleship Linoleum floor tells the *whole* story. When considered in terms of years of wear, it is really insignificant.

EASILY INSTALLED
Any competent Flooring Contractor makes a quick, efficient job of installing a custom-built Dominion Battleship Linoleum floor with a minimum of inconvenience to you.

5 YEAR GUARANTEE
When every detail of our simple specifications is carried out, Dominion Battleship Linoleum (AAA & AA gauges) is covered by our 5-year Guarantee.

Peoples Credit Jewellers, Limited, Hamilton, Ont.

ASK THE MAN WHO KNOWS!

"At last I have a floor that fits the character of my business—and it cost much less than I expected." This is the reaction we've received from people installing Dominion Battleship Linoleum floors.

Consult your Architect or House Furnisher. Write us for copy of booklet on "The Care of Linoleum".

• DOMINION OILCLOTH & LINOLEUM CO. LIMITED, MONTREAL •

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. | Iroquois Falls, Ont.
Pine Falls, Man. | Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. | Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp | News Sulphite Pulp
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Colonial Bond

Colonial Bond is a rag-content paper that is really versatile and moderately priced, combining solid substance, fine texture, unusual toughness with a choice of excellent surface finishes. Makes up into smart, dignified letter paper, stands all the wear and tear of office stationery — is the very thing for forms that are subject to much handling. Its printability rates A1, too!

COLONIAL BOND

Now! A COLD PRESSED finish for Colonial Bond
The COLD PRESSED process hitherto reserved for more expensive papers only—is now available in Colonial Bond, in white, two sizes and two weights. Gives Colonial Bond a certain richness, a "feel" of superior paper.

ROLLAND PAPER COMPANY LIMITED
HIGH GRADE PAPER MAKERS SINCE 1883
MONTREAL
Branch Office: TORONTO, Ont. Mills at ST. JEROME and MONT ROLLAND, Que.

The autumn air holds romance at
CHALFONTE-HADDON HALL

Salt-laden and mellow, the breezes that sweep along the sand bring a sense of departure from commonplace things. The same enchanting atmosphere pervades these beachfront hotels, where life is always at its best and full of interesting things to do.

• Canadian currency accepted at par for hotel charges.

LEEDS AND LIPPINCOTT CO.
On the Boardwalk
ATLANTIC CITY

Ask your Travel Agent or L. G. Girvan, Canadian Rep., 67 Yonge St., Toronto, WA. 7552

MOUNT ROYAL HOTEL
The Heart of Montreal

For BUSINESS OR PLEASURE it's the MOUNT ROYAL HOTEL
J. ALDERIC RAYMOND VERNON G. CARDY

HOWEVER YOU TRAVEL . . .
CARRY YOUR MONEY SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

COLORFUL FALL FOLIAGE
Proves Magnet at
POCONO MANOR

These are rare days at P.M.—landscape filled with flaming scarlet and gold, mellow browns and greens. A pot of steaming coffee, a sniff of sizzling steak, revitalize you. Come to the top of the Poconos for Columbus Day. Golf. Riding. Bring the whole family.

Restricted Clientele
HERMAN V. YEAGER, General Manager
POCONO MANOR, PA.

Rounded Edges
MAKE IT A PLEASURE TO WRITE WITH A
VENUS-VELVET

No more finger fatigue! The rounded edges of Venus-Velvet pencils make writing for longer periods easier. Only a small thing, perhaps . . . but indicative of the unceasing care and quality which make smooth-writing Venus-Velvets outstanding value at 5¢. Your dealer has them.

5¢ VENUS-VELVET PENCILS
MADE IN CANADA

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6d. Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
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A free specimen copy will be forwarded on post card application to:
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LONDON, E.C. 2, ENG.

By Land, Sea and Air —

Canadian Travel Rechannelled by War

Exchange, Sea Travel Risk Affect Tourist Movements

For Canadians travelling for either business or recreation a variety of war-bred factors have wrought far-reaching changes in the range and method of travel movements.

The longer the war goes on the more will choice of destination, length and variety of journeys, selection of mode of travel and accommodation and ease of visits to other countries, be influenced by abnormal considerations.

For many business and official travellers, and for especially zealous tourists with time, money and determination, such considerations will become merely war-necessary obstacles that have to be surmounted. But for the great majority of travellers the war will inevitably work changes in their plans and largely reroute the main flows of travel both within and out of Canada.

In a sense the diversions and restrictions imposed on travel by war may prove a boon to Canada and Canadian travellers. Travel alternatives that otherwise might not have been considered will capture favor, particularly the wide variety of travel resources of Canada itself—too long neglected by many Canadians.

And undoubtedly the favorable exchange rate on American currency and avoidance of bothersome restrictions on entry of Americans into Canada should stimulate the already sizeable tourist traffic into the Dominion.

Testing Period

So far the war has not had time to react upon any major travel movement. At best of times October is never a heavy month for general or tourist travel, certainly not to Europe or U. S. points. Within the next few months the first set of new trends arising out of war should become evident. The coming period should reveal any war changes in normal Canadian travel to the southern states and the West Indies and in American tourist movements to Canadian winter sports resorts.

As far as Canadian travel southward is concerned, any curtailment is likely to spring more from the exchange discount on the Canadian dollar than from such regulation as has been established over taking funds out of the country by Canadians. Travellers can take out up to $1,000 without difficulty, an easily obtained permit being required for amounts between $100 and $1,000. Proof of necessity and a special permit is required for exports over $1,000.

The exchange discount is admittedly a potential curb on normal travel into the U. S. by Canadians, particularly the longer trips and more expensive visits to the southern states. Present indications are, however, that this will be offset by several factors. For one thing, many of those with the time and means to take winter holidays in the south will make their usual trips regardless of the additional cost from exchange.

And those who might otherwise have gone to winter resorts requiring oversea journeys, such as the Riviera, the Orient, New Zealand-Australia, and the West Indies, will turn to the southern states or California as less risky alternatives.

Canadian Funds Accepted

A still more important factor in maintaining Canadian travel into the U. S. will be acceptance of Canadian funds at par by transport agencies and hotels. Already Canadian motor coach operators are accepting Canadian money at par in payment for trips routed partly over American bus lines. A lengthy roster of American hotels are accepting Canadian funds without discount, in some cases for both rooms and meals, and will continue to do so until the quoted discount goes above 12 or 15%.

A recent check-up of hotels in eastern and central U. S. cities revealed 50 hotels accepting Canadian funds in New York, Chicago, Cleveland, Detroit, Buffalo, Niagara Falls, Pittsburgh, Rochester, Washington, and some smaller centres in the same area. It is believed a similar situation will prevail in the south this winter. As in the case of the bus lines the hotels appear to be absorbing the loss on Canadian funds in order to retain Canadian business and goodwill. Various travel agencies and tourist organizations are now making a thorough survey.

Advantage to Canadians

As far as exchange alone is concerned, Canadians are of course at an advantage in financing travel to the West Indies, the Antipodes or Europe, where they get a premium in pounds on their Canadian dollars. This may offset to some degree the effect of the risk, real or imagined, of wartime ocean travel.

Hopes are expressed that Canadian travel to British winter resorts, especially the West Indies, will show no serious effect from the war. Since the war started the authorities have required passports for West Indies trips, but their issue for legitimate travel is not being restricted. Canadian National steamships are still operating to the Bahamas, West Indies and Caribbean ports, and thus far no threat or disruption affecting this route appears in prospect.

Travel to Europe

Current travel to Europe is pretty well restricted to essential business and official trips, together with a gradual flow back to their homes of English visitors in Canada when the war broke out. Because of wartime emergencies and the need for secrecy, sailings are irregular and accommodation is limited, the number of ships available having been reduced by Admiralty requisitioning.

While passport officers are somewhat more diligent in checking up on applicants for passports to go to Europe, there is no restriction on reasonably necessary trips, both for business and official purposes.

As far as can be learned under the limitations imposed by wartime, all transatlantic vessels under British registry are being convoyed by warships. The convoy system is becoming better organized and more effective as time goes on.

A striking phase of Atlantic travel is that some people now seem to believe that the safest way to cross is by Pan-American Clipper. Up to two or three years ago any suggestion that the safest way to cross the ocean was by air would have been regarded as preposterous.

U. S. Tourist Traffic

The maintenance and possible increase of American tourist traffic into the Dominion, especially during the coming winter and next summer, will depend largely on success of efforts to publicize the lack of wartime restrictions on travel into Canada.

The only exchange regulation applied to U. S. travellers is that they cannot take out of Canada any more than they brought in, unless the transaction has gone through authorized channels and a permit issued if necessary for the excess export. The stipulation that they must declare the amounts brought into Canada, so as to leave them free to take back equivalent amounts on departure, only applies to amounts over $100.

These and other favorable aspects of American travel into Canada have already been publicized by both American and Canadian tourist organizations.

Among the summer pastimes available to winter visitors, expected in increasing numbers at Victoria in the coming season, horseback riding holds a favored place. Golf, tennis, swimming, fishing and hiking are among the other recreations possible in the mild and equable winter climate of Vancouver Island.

Canada's "Sun Porch"

War Increases Canadian Interest In Victoria Area as Winter Resort

Spotlight of Canadian winter travel interest is being focused more brightly than ever this year on Victoria and other Vancouver Island resorts. The war has fostered drawbacks to normal winter trips to U. S., British and European resorts. The resulting intensified study of travel resources within the Dominion is accelerating the year 'round trend of travel in recent years toward "Canada's winter sun porch" on the Pacific Coast.

The distinctive advantages of fall and winter holidays in the Victoria region, especially under the war-developed circumstances affecting journeys away from Canada, promise to draw an exceptionally heavy volume of visitors in the coming season. The chief factors winning the favor of Canadian winter tourists may be summarized as:

1. Visits to Victoria obviate both the risk of oversea journeys to resorts in Europe and the western hemisphere, and the added expense of exchange costs for travel to U. S. points. Problems anent the export of exchange are eliminated.

2. The trip to the Pacific coast is entirely over a Canadian route, with only a short water trip involving no risk. This means that a Vancouver Island holiday can be financed completely in Canadian funds at par, for both transportation and expenses during the visit.

Funds Kept in Canada

3. Money used for all expenditures is kept in Canada and goes to the support of Canadian enterprise. This is a particularly desirable achievement under existing conditions, quite apart from the exchange and transport problems involved in external tours.

4. The Victoria region not only enjoys a mild and equable winter climate that has earned it the title of "the Florida of Canada," but is within easy reach of western Canadian mountain resorts where one's holiday can be varied with skiing and other winter sports.

5. First-rate transportation and resort facilities are available for accommodation of westward trekkers across the Dominion, seeking refuge from the severities of winter in the eastern and prairie provinces.

6. In addition to obtaining full value for Canadian dollars, Victoria holidays enable Canadians to learn more about their own country and its travel resources, both en route and during the sojourn.

Present war exigencies should widen the hitherto limited realization that Canada has its own warm winter zone on the Pacific. Available records show that winter temperatures around Victoria rarely fall below 45 degrees, and range from 50 to 65 degrees on the majority of winter days. With remarkably few interruptions the area is bathed in sunshine and benefits from warm Pacific breezes through the winter season.

Summer Sports in Winter

All of the sports and recreations ordinarily enjoyed only in the spring, summer and fall, can be pursued on the Pacific through the winter. Victoria is famous for its beautiful gardens, many of which are open to visitors, and a wide variety of motor tours and hiking trips are available in near-by territory. Swimming from ocean beaches or in a covered pool is a regular pastime of winter visitors at Victoria. Horseback riding is popular.

At Victoria and elsewhere on Vancouver Island, golf is a year-round game. While some mid-winter days are rainy or have a cool nip, golfing fans tramp the links around Victoria regularly and without abnormal interruption. For the past dozen years a highlight of the winter golf season on this continent is the annual tournament sponsored by the Canadian Pacific's Empress Hotel.

The tournament in the coming season is scheduled for March 3 to 9, over the oak-banked acres of the Royal Colwood Golf Club at Victoria.

Anglers also find a wealth of attractions in a winter holiday at Victoria. Easily accessible from the Empress Hotel and other resorts are numerous sporty fishing grounds, both deep sea and fresh water. In Brentwood Bay, near Victoria, gamey grilse and spring salmon can be caught by trolling, while fly fishing in the rivers along the east slope of the Island net steelhead salmon up to 20 lb. Steelheads and Dolly Varden trout are found in mainland streams. The Pacific Ocean offers lavish scope for deep sea fishermen.

Despite the soft breezes, mild weather, and roses blooming through the year end, the predominantly British Victorians celebrate Christmas in thoroughly English style. Traditional feature of the Christmas festivities is the Yuletide programme arranged by the Empress Hotel.

For winter sports enthusiasts there is high land near Victoria where mountains rising cloudwards are covered with snowfields, forming a fine winter sports area.

To The Travelling Public:
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT,
Manager.

Re-Discovery of North America

Now, more than ever before, people are discovering the almost limitless travel possibilities of their own North American Hemisphere. Mexico, California, Florida, Victoria, of course . . . and hundreds of other fascinating places, unknown perhaps to you, but thoroughly familiar to the experts of the Ask Mr. Foster Travel Service. Come down to Simpson's and find out about North America!

The Ask Mr. Foster Travel Service at Simpson's
STREET FLOOR

IN MONTREAL

Business men prefer the Windsor for its convenient location, its modern comforts, its old-fashioned traditions of hospitality — and because this hotel is recognized as the proper place for business and social meetings.

THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND
VICE-PRESIDENT

A whole auto show in itself!

MAKE A BEE LINE for the Packard exhibit first thing!

For the new 1940 Packard is a whole auto show in itself! It's a car guaranteed to make an artist, an engineer, a millionaire and a family-on-a-budget all throw their hats in the air and cheer as one!

Those gorgeous new lines are the handsomest ever put on a car. Look at the graceful sweep of that longer bonnet, the tapered beauty of the new speed-streamed body.

And when you take to the road in this stunning new car, you'll know what it feels like to be harnessed to chain lightning! This handsome Packard has *so much more horsepower per pound of car weight* it makes other cars seem glued to the concrete!

For looks, for luxury, for performance and mechanical excellence—this dream of a car is well worth stretching your budget to own. *But you won't have to!* For with its vast 4-year plan of plant expansion and rearrangement completed, Packard can offer you its new 1940 cars at amazingly low prices. 4 times out of 5, the car traded in more than covers the down payments, thus still further reducing the monthly payments.

Ask The Man Who Owns One

New 1940 PACKARD
AMAZINGLY LOW PRICES

DISTRIBUTORS
PACKARD-ONTARIO MOTOR COMPANY LIMITED
1038 BAY STREET, TORONTO

The Week's Quotations

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 9

[illegible]

Quotations "1939. b New York quotations. a On account of arrears. † Plus extra of $2 paid Feb. 1, 1939. ‡ Interim.

Mining Stocks

Week Ending October 9.

[illegible]

Oil Stocks

[illegible]

Vancouver Stocks

[illegible]

Oil Quotations

Par Val.	High	Low	Company	Sales	Close Oct. 2 (or last)	High for week	Low for week	Close Oct. 9
No	.17½	.02	Freehold		(... bid	.15 asked)		
No	.13	.09	Foundation Pete		.15	.15	.14	.14
25c	.15½	.08½	Four Star	1,500	.20	.20	.20	.20
No	.20	.08½	Hargal	100	(.21 bid	... asked)		
No	.35	.15	High Sarcee		2.83	2.83	2.65	2.80
No	3.75	1.22	Home Oil	2,960	(.03½ bid	.04 asked)		
No	.07½	.02	Madison		.04½	.04½	.04½	.04½
No	.09	.02½	Marjon Oil	11,000	.16½	.16	.16	.16
No	.22½	.09	McD. Segur Ex.	1,000	(.08 bid	... asked)		
1	.22	.06	McLeod		.09½	.08	.07	.07
No	.13	.05½	Mercury	600	.06½	.06½	.06½	.06½
No	.07½	.03½	Mill City Oil	2,300	(.05 bid	... asked)		
No	.10	.04½	Midwest Pete		.30	.28	.28	.28
1	.49	.20	Model	600	(.09 bid	.09½ asked)		
25c	.11	.06	Monarch Royal		.12	.12½	.12½	.12½
25c	.16½	.08	National Pete	500	(... bid	.07 asked)		
1	.12	.05	Nordon		1.32	1.31	1.27	1.30
No	1.70	.66	Okalta	2,000	(.06 bid	... asked)		
No	.12	.03	Pacalta Oil		.22	.23	.23	.23
25c	.24½	.17	Prairie Royal	1,000	.13	.13½	.12½	.13½
No	.13½	.09½	Royal Crest	5,000	41.00	40.12	40.12	40.12
No	45.00	29.00	Royalite	15	.21½	.22	.20	.22
No	.22	.14	Royal Canadian	10,300	.05	.05	.05	.05
No	.11½	.02½	South End	1,000	(... bid	.60 asked)		
No	.75	.25	Southwest Pete		(.06 bid	... asked)		
1	.12	.04	Spooner		.39	.38	.38	.38
25c	.41	.30	Sunset Oil	500	.10½	.11	.11	.11
No	.16	.06½	United	1,000	.07	.08	.07½	.08
No	.13	.04½	Vanalta	4,000	.42	.55	.55	.55
1	.90	.35	Vulcan	500	(.05 Aug. 12)			
No	.07½	.05	West Flank					

Winnipeg Stocks

(Transactions from Oct. 2 to Oct. 7)

	Sales	High for period	Low for period	Close Oct. 7
Central Manitoba	3,700	.03½	.02¾	.03½
Crescent Creamery, pfd.	25	10.00	10.00	10.00
Dominion Envelope, pref.	15	96.00	96.00	96.00
Dominion Woollens	200	1.90	1.75	1.90
Federal Grain	13	2.20	2.20	2.20
Do., pref.	190	35.50	26.25	33.50
Flin Flon	5,000	.01	.01	.01
Gurney Gold	1,000	.02¾	.02¾	.02¾
Lake Dufault	500	.23	.23	.23
Monarch Life	5	22.50	22.50	22.50
Ore Grande	300	.02¾	.02¾	.02¾
Sachigo River	60	6.37	6.00	6.37
Rand Malartic	500	.05¼	.05¼	.05¼
Reliance Grain, pfd.	20	38.00	38.00	38.00
Western Breweries	340	1.60	1.50	1.60
Western Grain, pfd.	10	6.50	6.50	6.50
Western Steel	240	10.25	7.50	10.25
Wilson Stationery	50	1.40	1.40	1.40
Do., pref.	25	48.00	48.00	48.00
Wings	75	.30	.30	.30

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	N. Can. Mtge., pf.	2½	..
Beav. Lumber, c.	2¼	..	North. Mtge.	1½	..
Do., pref.	..	97½	North. Trusts	..	6
Can. Indemnity	125	..	Traders Bldg.	55	..
Dom. Envelope	2	3	United Grain	5¾	6
Home Invest.	10	13			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 10	32,400	10,400	208,000	36,374
Oct. 9	—Holiday—			[illegible]
Oct. 7	19,800	14,100	131,000	78,865
Oct. 6	65,600	39,200	242,000	48,543
Oct. 5	43,800	25,000	177,000	35,336
Oct. 4	37,000	50,800	164,000	

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Oct. 10, 1939

Dominion of Canada Bonds

%	Due		Bid	Ask	Approx. Yld.
1½	June	'40	99¾	100½	.75
4½	Sept.	'40	102¼	103	1.20
1	Mar.	'41	99	99¾	1.15
5	Nov.	'41	105¾	106½	1.62
1½	May	'42	98½	99	1.89
2	June	'42	99½	100½	1.90
3	Oct.	'42	101¾	102¾	2.05
2½	June	'43	100	101	2.20
5	Oct.	'43	108	109	2.61
2	June	'44	97½	98½	2.34
a2½	Jan.	'44	92½	93½‡	3.85
4½	Oct.	'44	107	108	2.77
2½	Nov.	'44	98½	99½	2.80
a2½	Aug.	'45	92	93½‡	3.75
4	Oct.	'45	103	104	b2.93
4½	Feb.	'46	107	108	3.10
3½	June	'49	98½	99½	3.30
3½	Oct.	'49	100	101	b3.84
3½	Nov.	'51	97½	98½	3.43
a5	May	'52	100½	102‡	b4.15
4	Oct.	'52	102½	103½	b3.49
3	June	'55	93	94	3.49
4½	Nov.	'56	105½	106½	b3.45
4½	Nov.	'57	106	107	b3.49
3	June	'58	92½	93½	3.48
4½	Nov.	'58	106½	107½	b3.55
4½	Nov.	'59	106¾	107¾	b3.57
a4	Oct.	'60	91½	93‡	4.52
a3½	Jan.	'61	83¾	84¾‡	4.35
3½	June	'66	94¾	95¾	3.49
a3e	Jan.	'67	82	83½‡	3.99
a3e	Nov.	'68	81½	83‡	4.00
†3	Perpet'l.		85¾	86¾	3.46

Dominion Guaranteed Bonds

Can. Nat'l. Railways:

%	Due		Bid	Ask	Approx. Yld.
2	Feb.	'43	97¾	98¾	2.40
2½	Jan.	'46	94½	95½	3.05
3	May	'44	100	101	2.76
3	Dec.	'50	93¾	94¾	3.56
3	Feb.	'53	92¾	93¾	3.59
3	Jan.	'59	91¾	92¾	3.52
*4½	Sept.	'51	108¾	109¾	3.50

%	Due		Bid	Ask	Approx. Yld.
*4½	Feb.	'56	109½	110½	3.67
c4½	July	'57	109½	110½	3.70
*4½	June	'55	111¾	112¾	3.68
5	Feb.	'54	112	113	3.82
*5	July	'69	110½	111½	b3.35
*5	Oct.	'69	113½	114½	b3.67
*5	Feb.	'70	113½	114½	b3.71

Provincial Gov't. Bonds

%	Due		Bid	Ask	Approx. Yld.
New Brunswick:					
3	Oct.	'51	85	87	4.40
3½	Aug.	'49	89	91	4.37
3½	June	'56	87	90	4.34
c4	Nov.	'47	97	99	4.15
c4½	Apr.	'61	100	102	4.35
c5	Jan.	'60	103	105	4.62
Nova Scotia:					
3	Jan.	'52	90	92	3.81
3½	June	'56	91	93	3.81
3½	Nov.	'50	95	97	3.84
c4½	Sept.	'52	101½	103½	b3.97
c4½	Nov.	'60	102½	104½	4.17
c5	Mar.	'60	107	109½	4.30
Ontario:					
2½	May	'45	95½	97½	3.00
3	Apr.	'48	94½	96½	3.46
3	Nov.	'50	94	95½	3.50
3½	Nov.	'51	95½	97½	3.50
*4	June	'62	100	102	3.87
4½	June	'50	106½	108	3.61
*4½	Jan.	'62	107	109	3.89
5	Oct.	'48	109½	110½	3.62
*5	Dec.	'60	113	115½	3.92
5½	July	'46	110	111½	3.56
Ont. Hydro Commission:					
3	Aug.	'48	94½	96½	3.45
3½	Feb.	'53	95½	97½	3.49
3½	Apr.	'47	99	100½	3.41
Prince Edward Island:					
3	Oct.	'45	94	96	3.75
Quebec:					
3	Nov.	'47	90	91½	4.26
3	Nov.	'51	86	88	4.29
3½	Mar.	'48	90½	92	4.39

%	Due		Bid	Ask	Approx. Yld.
3½	June	'52	87	89	4.37
4	Mar.	'52	95	97	4.31
4½	Aug.	'58	96½	98½	4.37
4½	Jan.	'63	99	101	4.43
Alberta:					
4	Dec.	'54	56	60	d
4½	Oct.	'51	61	65	d
c4½	Oct.	'56	59	63	d
*5	Oct.	'59	61	65	d
c5½	Apr.	'52	62	66	d
6	Mar.	'47	64	68	d
British Columbia:					
c4	Dec.	'57	92	95	4.40
*4½	Jan.	'51	95	98	4.73
c4½	Oct.	'53	95	98	4.70
c5	Apr.	'54	99	101	4.90
5½	Feb.	'45	99½	101½	5.16
6	Feb.	'47	101½	103½	5.41
Manitoba:					
c4	Dec.	'57	81	84	5.37
c4½	Dec.	'56	86½	89½	5.37
*5	Dec.	'59	90	93	5.57
5½	Oct.	'55	93	96	5.89
6	Apr.	'47	97½	100½	5.91
Saskatchewan:					
4	Sept.	'54	65	68	7.81
4	Nov.	'60	64	67	7.03
c4½	Oct.	'51	77	80	7.00
c4½	Mar.	'60	70	74	6.88
5	Aug.	'58	76	80	6.90
5½	Oct.	'52	80	83	7.58
6	Mar.	'52	83	86	7.76

*Payable Can., N.Y. & £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 10, 1939

Industrials:	Bid	Ask.
Acme Farm, p.	15	..
Andian National	34	38
Anglo C. Tel., A	8	8¾
Barrymore, pfd.	18	..
B. C. Pulp, c.	20	22
Do., pfd.	52	..
B. C. Sugar	86	..
Burns & Co., A	6½	7½
Do., B	3½	3¾
Canada Tea, pf.	20	24
Can. Co-op. W'l.	6½	..
Can. G'drich, c.	1½	..
C.I.L., A c.	228	..
Can. Ing. Rand	135	140
Can. Tube, 1st p.	68	72
Chase, A. W., p.	25	26
Claude Neon, p.	4½	5½
Cons. Sales B., p	..	78
Cope, Flour Unit	7½	..
Dom. Wooll's., p	6¾	7½
Dunlop Tire, p.	21	22
Easy Washing, p	6	8
Fed. Grain, pfd.	35	37
Do., com.	2	2½
Goderich Elev.	8	8¾
Guard. Realty, p	..	16
Guelph Carp., p.	97	100
Do., com.	11½	..
Hayes Steel. c.	19	20
Do., pfd. ($10)	10	11
Hi'land Dairy, p	73	..
Do., com.	2½	..
Kingston Sh. un.	15	21
Loblaw Inc., c.	10½	10¾
Maritime Tel., c.	14½	15½
M'row Screw, p.	98	..
Mt. Royal H., p.	2½	3½
Neilson, Wm., c.	8	..
Do., pfd.	102½	..

	Bid	Ask.
N. B. Tel., c.	11½	12½
N. Meth. Ldy., p.	58	63
Office Spec., p.	71	..
Ont. Tob., pfd.	20	23
Paterson Wm., p	103	..
Prov. Paper, pfd	101	..
Reliance Gr., pf.	43	50
Rob'tson P. L., p	90	..
Rob. Cons. Cone	7¾	8½
Ruddy, E. L., p.	27	30
Seal O Sac (Can)	3½	4
Stand. Fuel, c.	1½	..
Do., pref.	46	50
Stedman, p ($50)	52	..
Tor. Carpet, c.	18½	22
Do., pfd.	51	55
Un. F. Co-op.	2¾	2¾
Un. Steel, A pf	23	..
Viceroy, p & rts	23	24
West. Grain, pf.	6½	7½
West. Steel, c.	8	10
Weston Hold.	..	6
Trusts & Loan Stocks:		
Brit. Mtge.	151	154
Com. Fin., c.	2¾	3½
Guaranty Tr.	96	100
Guelph & C., $50	52	55
Lambton Loan	31	35
London & West.	38	41
Sherbrooke Tr.	120	..
Sterling Trust	52	60
Traders Fin., B c	9	11
Do., A pfd.	70	..
Trusts & Guar.	27	28
Waterloo Trust	99	..
Insurance Stocks:		
Brit. Amer.	54	60
Canada Life	450	475
Confed., 30% pd.	143	152

	Bid	Ask.
Crown, fully pd.	260	..
Dominion Fire	135	..
D. of Can. Gen.	105	120
Empire, 25% pd.	5	7
Excelsior Life	55	60
Federal, 25% pd.	50	53
Great-West Life	205	220
Halifax Fire	18	20
Imperial Life	285	298
Manufac. Life	215	230
Monarch 10% pd	22	24
Sov., 25% pd.	14	..
Sun Life	315	375
Tor. General	5½	6
Western Assce.	48	51
Theatre Stocks:		
Allens King., p.	..	62
Do., London, p	..	54
Do. St. Cath. p	..	55
Do., Tor., p. c.	..	33
Mansf. Theat., p.	27	30½
Midland Prop., p	3½	5½
Para., Kitch., p.	50	54
Do., Oshawa, c	9	12
Investment Trust Shares:		
Can. Investors	5½	6½
Deb. & Sec., pf.	70	..
Inv. Found. Unit	55	57½
Sec's. Hold., pf.	17½	19
United Corp., A	20	22
Do., B	12½	13½
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	97	99
Int. Util., 1.75 p.	15	17
Do., 3.50 pfd.	34	36
Gt. Lakes Pr., p.	97	100
Mtl. Is. Pwr., p.	20	24
Nor. Ont. Pr., p.	91	95

Unlisted Mines

Toronto, Oct. 10, 1939

	Bid	Ask
Addingt'n	.03½	.04½
Alb Riv	.15	.17
Amorada	.01	.02½
Anoki	.06	.09
Arjon	.01½	.02½
Armistice	.01	.02½
Argosy	.02¾	.03½
Arno	.01	.02
Area	.03½	.04½
Athona	.03	.03¾
Barb Lard	.02	.03
Ber. Lake	.16	.19
Bounty	.19	.21
B Master	.01½	.02½
Bilmac	.02	.03
Cald Bous	.01½	.02½
Cap Rouyn	.00¾	.01
Cen Man	.03½	.04
Cheminis	.04	.05
Cochenou	.44	.46
Coin Lake	.03	.04½
Crescent	.03¾	.04½
Crowshore	.05	.08
Dawson	.01	.01½
Dayton	.03	.04
Delnite	.75	.80
De San N	.13	.16
Dona Pat	.06	.08

	Bid	Ask
Donwood	.05	.07
Dumico	..	.04½
Elmos	..	.15
Faulkenh	.01	.01¾
Frontier	.01½	.02½
Galore	.03	.03½
Gate Pat	.00½	.01½
Gold Gate	.19	.21
Granada	.02	.03
Hallnor	6.00	6.50
Hiawatha	..	.60
Hislop	.00¾	.01½
Hoyle N	.15	.18
H Pa Por	.03	.04
Hutch Lak	.02	.02½
Jason	..	.38
Keora	.03	.04
Kaw Crow	.01	.02
Kenricia	.11	.14
Kewagama	.02	.03
Kiena	..	.09½
Kirk Gate	.01½	.02½
L Dufault	.21	.23
L Geneva	.10	.15
Lardego	.01¾	.02½
Low Pete	.40	.45
Mag Cons	.51	.53

	Bid	Ask
Mag Lak	.11	.13
Mart Bird	.03½	.04½
Margaret	..	.10
Mat Can	.03	.04
M Hall N	.02	.03
Mooshla	..	.04
Mosher	.05½	.06½
Mylamaqu	.00½	.01½
Nat Mal	.22	.25
Negus	.55	.65
N Ribago	.02	.02½
Nick Off	.70	.80
Norbeau	.23	.35
Norlake	.01	.02
N Am Mo	1.15	1.20
Oklend	.06½	.07½
O'Lea Mal	.02	.02¾
Opemiska	.08	.11
Oriole	.01	.01½
Orpit	.02	.04
Ossian	.01	.01¾
Pascalis	..	.30
Payore	.01½	.02
Pho Mol	.12½	.13½
Pon Rou	.10	.11
Pelangio	.01½	.02
Polaris	.37	.40

	Bid	Ask
Privateer	.87	.95
Proprieta	1.65	1.70
Presdor	.01½	.02
Que Man	.09½	.10½
Rand Mal	.04½	.05
R L Gold	.01½	.02
Rahn L	.18	.20
Rhy Rouyn	.01¾	.02
Rose Gold	.05	.07
Sach Riv	5.50	6.50
Shenango	.04	.05
Sheldon	..	.05
Sis Exten	.01	.02
Skynner L	.04	.05
Smelter	.02	.02½
Spooner	.03	.05
Steep R	1.50	1.55
Sunbeam	.06	.09
Springer	.06	.07
Thom L	.11	.14
Union Min	.04½	.05
Walk Pat	.01½	.01½
W L Lac	.12	.14
Westwood	.02	.03
Win C Rts	.04¾	.05½
Woco	.08	.10
Y David	.27	.29½

Montreal, Oct. 10, 1939

	Bid	Ask
Abbeyv'e	.02½	.03½
Brown B	.01	.02
Chibmac	.01	.02
Demp'y	.01	.02
L Lag'n	.03	.05
L Rowan	.03	.04
Leroy	..	.01
Louvre	..	.01½
Obalski	.03½	.04½
Pan Can	.03½	.04½
Routh'r C	..	.03
Tiblem't I	.03	.03
Valdor M	..	.85
Warren'c	..	.05

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

October 10, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 10	Asked Oct. 10	Bid Oct. 3
†Assoc. Tel. & T.	5½	'55	77	81	77
Beauharnois P.	5	'73	98	102	96½
B. C. Power	4½	'60	97	101	94
B. C. Tel.	4½	'61	101	105	100½
†Calgary Pwr.	5	'60	100½	104½	100½
Do.	5	'64	98½	102½	98
†Can. Nor. Pwr.	5	'53	101½	105½	100½
*Dom. Gas & El.	6½	'45	95	99	93½
Gatineau Pwr.	5	'49	100	104	98
Do., A	3¾	'69	94	98	92
Gt. Lakes Pwr.	4½	'56	94	98	91½
*Int. Hydro-E.	6	'44	81½	85½	81
▲Inter. Power	6	'55	97	101	97
Macl'n-Que. Pr.	4	'59	94	98	92
Mtl. L. H. & P.	3½	'56	94	98	92½
†Mtl. Tramways	5	'41	93	97	93
†Do.	5	'55	67	71	65
Nat. Lt. & Pwr.	6	'49	92	96	91½
N. S. Lt. Pr.	4	'57	96½	100½	94
Ottawa H. & P.	4	'57	98	102	94
Ottawa V. Pwr.	5	'59	99	103	97½
†Power Corp.	4½	'59	93	97	92½
Quebec Pwr.	4	'62	96½	100½	94½
°Saguenay P., B	4½	'66	99	103	98
Shaw. W. & Pr.	4	'61	96½	100½	95
Union Gas	4½	'50	97½	101½	97
United Secs.	5½	'52	64	68	63½
†Wpg. El., ser. A	4	'65	69½	73½	69
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	62	66	63
Acadia Sugar	4½	'55	98	102	98
†Alta. Pa. Grain	6	'46	95	99	94½
Atlantic Sugar	4	'51	97½	101½	96
B. A. Oil	4	'45	..	..	..
†B. C. P. & Pap.	6	'50	75	80	74
*Brown Co.	5½	'46	52	56	52
Burns & Co.	5	'58	59	63	60½
Canada Bread	6	'41	105	..	105
Canada Cement	4½	'51	99	103	97
Can. Paper	4½	'52	..	..	..
Can. Steamship	5	'57	88	92	88½
Can. Canners	4	'51	99	103	98
*Can. Int. Paper	6	'49	98	102	95½
*Candn. Vickers	6	'47	69	73	73
†Consol. Paper	5½	'61	58	62	58½
▲Dom. Stl. & C.	6½	'55	110	114	110
Dom. Tar	4½	'51	97½	101½	96
†Donnacona P.	4½	'56	73½	77½	72½
Famous Players	4½	'51	95	99	93
†Federal Grain	6	'49	95	99	94½
†Fraser Cos.	6	'50	97	101	96½
Gen. Stl. Wares	4½	'52	95	99	95
*Great Lakes P.	5	'55	86	90	86
†Gypsum, Lime	5½	'48	93½	97½	92
Ham. By-Pr. C.	5	'55	96	100	95½
Lake St. J. P.	5½	'61	85½	89½	85
†Maple Leaf M.	3	'58	71	75	70½
Massey-Harris	4½	'54	91	95	91½
McColl-Fron.	4½	'49	96	100	95
McCormick's	4	'52	83½	87½	83
*M. & O. Paper	6	'45	43	47	43
N. S. Stl. & Co.	3½	'63	83	87	83
Preston E. D.	6	'43	..	..	..
Price Bros.	5	'57	94	98	92
*Prov. Paper	5½	'47	99	103	99
Reliance Grain	4½	'52	88½	92½	88½
†Restigouche Co.	6	'48	95	99	94½
Simpsons Ltd.	4½	'51	95	99	94
Smith, Howard	4½	'51	98	102	97
†Steel of Can.	6	'40	108	..	108
Uchi Gold M.	6	'41	..	..	..
*United Gas	5½	'48	100	104	99
United Gr. Grs.	5	'48	95	99	94
†Western Grain	6	'49	39	43	38

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
°Payable in U. S. only.

Municipal Bonds

Oct. 10, 1939

†Halifax	5	1961	105.00	108.00	4.43
Hamilton	5	1950	104.25	106.25	4.25
Montreal	5	1945	93.50	96.50	5.76
Ottawa	4½	1945	103.13	105.13	3.50
†Quebec	5	1959	100.50	103.50	4.73
Saint John	5	1960	102.25	105.25	4.41
†Toronto	4½	1955	103.75	105.75	4.00
†Vancouver	5	1950	93.00	98.00	5.25
Winnipeg	5	1944	95.00	100.00	5.00

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	3.80	4.16
Can. Inv. Fund	4.05	4.45
Can. Amer. Trust	3.60	4.00
All Can. Trustee	12.00	12.75
Grouped Income	5.60	6.15
Trans Canada	....	13.75

Mining Dividends

		Close Oct. 9	Yield %
Beattie Gold	15c	1.05	14.2
Bralorne	80c+40c	10.63	*11.3
Buffalo Ankerite	$1	8.00	12.5
Bulolo Gold	$3	19.00	15.7
Can. Malartic	9c	.54	16.7
Cariboo Gold	16c+5½c	1.85	*11.6
Central Patricia	16c+5c	2.15	*9.6
Coniagas	25c	1.50	..
Coniaurum	15c	1.35	..
Cons. Smelters	$1+$1	50.37	*3.9
Dome Mines	$2	27.75	7.2
Falconbridge	30c	4.65	6.4
God's Lake	†5c	.42	..
Goldale	†2c	.17	..
Gunnar Gold	6c	.49½	12.1
Hollinger	65c+45c	13.50	*8.1
Howey Gold	3c	.28	..
Hudson Bay	$1.50	31.00	4.8
Inter. Mining	40c	9.87	4.1
Inter. Nickel, com.	$2	46.75	4.3
Island Mountain	10c	.85	11.8
Kerr Lake	15c	.30	..
Kirkland Lake	8c+2c	1.18	*8.5
Kootenay Belle	16c+4c	.73	..
Lamaque Gold	40c+17c	6.20	*9.1
Lake Shore	$4	34.75	..
Lava Cap M.	11c	.75	..
Leitch	8c	.70	11.4
Little Long Lac	30c	2.65	11.3
Macassa	20c+7½c	3.75	*7.3
McGillivray Coal	3c	.21	..
McKenzie Red Lake	12c	1.10	10.9
McWatters	10c	.52	..
Moneta	12c	.83	14.4
McIntyre Porc.	$2	48.62	4.1
Nipissing	15c	1.15	..
Noranda	$4	72.75	5.5
North Empire	80c	7.50	10.7
O'Brien Gold	20c	1.60	..
Pamour Porc.	8c	1.76	..
Pato Cons.	10c	2.10	..
Paymaster	2c	.34	..
Perron Gold	16c+1c	1.75	*9.7
Pioneer, B.C.	40c	2.20	..
Pickle Crow	40c	4.20	9.5
Placer Develop.	$1.20	10.00	12
Premier	12c	1.30	9.2
Privateer Mine	20c+2c	.90	..
Powell Rouyn	†5c	1.55	..
Quebec Gold	†2c	.30	..
San Antonio	14c	1.70	8.2
Sheep Creek	16c+3c	1.10	*17.2
Silbak Prem.	16c	1.10	14.5
Siscoe	12c	.90	..
Sudbury Basin	5c	2.10	..
Sullivan Cons.	6c+1c	.80½	*8.9
Sylvanite Gold	20c+5c	2.90	*8.6
Teck-Hughes	40c+5c	3.85	*11.7
Toburn	8c+6c	1.50	*9.3
Ventures	15c	4.15	..
Wright-Harg.	40c+30c	7.35	*9.5

*Yield including bonus. †Initial.

Fairchild Aircraft Spends $90,000 on Plant

From Our Own Correspondent

MONTREAL.—Fairchild Aircraft Ltd. has undertaken construction of an extension to its Longueuil plant at a cost of about $90,000.

Sutherland Construction has been awarded the general contract. Work on the foundation is proceeding and it is expected the addition will be completed within three months.

Cunningham Drug Completes Merger Deal

Cunningham Drug Stores Ltd. has completed the deal whereby it takes over the stores, warehouse and manufacturing laboratories of Vancouver Western Drug Company. There was a limited public interest in both these firms.

Officers of the enlarged Cunningham Drug Stores Limited are as follows:

G. T. Cunningham, president and managing director; L. C. Macken, secretary-treasurer; A. W. Scott, sales manager and store superintendent; P. M. Merrin, manager of warehouse and manufacturing department; Dr. G. H. Worthington, director.

Dividends Declared

	This payment	Date payable	Date of record
Can. Tel. p.	68¾c	Nov. 1	Oct. 14
& Wiborg, p.	$1.37½	Nov. 1	Oct. 15
C Tel., 2nd p.f.	$1.50	Nov. 1	Oct. 17
rne Mines	20c	Oct. 14	Sept. 30
Do. extra	10c	Oct. 14	Sept. 30
t. Cord., pf.	32½c	Oct. 15	Sept. 20
C Power, A	50c	Oct. 14	Sept. 30
Telephone	$2	Oct. 16	Sept. 23
ty Bros., 1st pf.	$1.50	Nov. 1	Oct. 14
ary & Edm.	10c	Nov. 15	Oct. 14
Alcohols, p.	10c	Oct. 16	Oct. 2
For. Inv., c.	70c	Nov. 1	Oct. 15
Gen. Inv.	12½c	Oct. 16	Sept. 30
Tube & Stl., p.	$1	Oct. 16	Oct. 7
W. & C., A	$1	Dec. 15	Nov. 30
mos Imp., pref.	$1.25	Oct. 14	Sept. 30
Fairbanks, pf.	$1.50	Oct. 16	Sept. 30
Indust., A, B	$1.75	Oct. 31	Sept. 30
Do. pref.	$1.75	Oct. 16	Sept. 30
North. Pwr.	30c	Oct. 25	Sept. 30
Do. pref.	$1.75	Oct. 16	Sept. 30
Bronze	37½c	Nov. 1	Oct. 20
Do. pref.	$1.25	Nov. 1	Oct. 20
Bk. of Comm.	$2	Nov. 1	Sept. 30
Brew.	3c	Nov. 1	Oct. 7
ies Pete.	1c	Nov. 1	Oct. 19
oit & C. Tun.*	$1	Oct. 16	Sept. 30
Tar, pref.	$1.37½	Nov. 1	Oct. 12
Oilcloth	30c+10c	Oct. 31	Oct. 16
Textile, pref.	$1.75	Oct. 16	Sept. 30
tillers Seag., p.	$1.25	Nov. 1	Oct. 16
e Mines	50c	Oct. 20	Sept. 30
inion Bank	$2.50	Nov. 1	Oct. 20
Lakes Power, p.	$1.75	Oct. 16	Sept. 30
Steel W., pf.	$1.75	Oct. 16	Oct. 2
rdian Rlty., p.	50c	Oct. 14	Sept. 30
berstone Shoe	25c	Nov. 1	Oct. 15
. Metal, pf.	$1.50	Nov. 1	Oct. 14
Do. A pref.	$1.50	Nov. 1	Oct. 14
. Nickel, pfd.	$1.75	Nov. 1	Oct. 2
erial Bank	$2.50	Nov. 1	Sept. 30
. Milling, p.	$1.25	Oct. 14	Sept. 30
Foundation, p.	75c	Oct. 16	Sept. 30
Do., arrears	25c	Oct. 16	Sept. 30
r Lake M.	10c	Oct. 20	Oct. 5
kland Lake	4c	Nov. 1	Oct. 2
Do., extra	1c	Nov. 1	Oct. 2
t. Belle Gold	4c	Oct. 21	Oct. 14
ke of W. M., p.	†$3.50	Nov. 1	Oct. 14
ntreal Tele.	‡68c	Oct. 16	Sept. 30
L. H. & Pwr.	37c	Oct. 31	Sept. 30
ntreal Trams.	$1.50	Oct. 14	Oct. 3
Coil-Front, pf.	$1.50	Oct. 14	Sept. 30
eta Porc.	3c	Oct. 14	Sept. 30
ple L. Gard., p.	▲ 70c	Oct. 26	Oct. 16
ritime Tel.	17½c	Oct. 16	Sept. 20
Do. pref.	17½c	Oct. 16	Sept. 20
Steel Car	50c	Oct. 14	Sept. 30
B. Telephone	12½c	Oct. 15	Sept. 30
-Ont. Pwr.	60c	Oct. 25	Sept. 30
Do., pref.	$1.50	Oct. 25	Sept. 30
S. Trust	$3.50	Oct. 15	Sept. 30
nge Crush, p.	35c	Nov. 1	Oct. 16
Brien Gold	10c	Oct. 16	Sept. 30
ell Rouyn	5c	Oct. 16	Sept. 30
er Corp., pf.	$1.50	Oct. 16	Sept. 30
Do., 2nd pref.	75c	Oct. 16	Sept. 30
mier Gold	3c	Oct. 16	Sept. 18
mans	75c	Nov. 15	Nov. 6
Do., pref.	$1.50	Nov. 1	Oct. 21
Antonio G.	7c	Nov. 6	Oct. 20
uenay Pr., p.	$1.37½	Nov. 1	Oct. 16
ith, H. Pap. pf.	$1.50	Oct. 16	Sept. 30
th. Can. Pr., P.	$1.50	Oct. 16	Sept. 20
ep Creek G.	4c	Oct. 14	Sept. 30
Do., extra	1c	Oct. 14	Sept. 30
llivan Cons.	3c	Oct. 31	Oct. 16
Do., bonus	1c	Oct. 31	Oct. 16
el of Can.	43¾c	Nov. 1	Oct. 6
Do., pref.	43¾c	Nov. 1	Oct. 6
ak Prem.	4c	Oct. 25	Oct. 5
th. Can. Pwr., c.	20c.	Nov. 15	Oct. 31
dance Rylts.	▲	Oct. 31	Oct. 20
burn Gold	2c	Nov. 22	Oct. 21
Do., extra	2c	Nov. 22	Oct. 21
. Elevators, pf.	66c	Dec. 7	Nov. 23
kett Tob., p.	$1.75	Oct. 14	Sept. 30
ion Gas	20c	Dec. 15	Nov. 20
ston. Geo., pfd.	$1.25	Nov. 1	Oct. 14
t. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
minster Paper	25c	Nov. 1	Oct. 15
od, A. & J., 1 p.	$1.75	Nov. 1	Oct. 23
lers. pfd.	37½c	Nov. 1	Oct. 14

*Initial. ‡Net. †On arrears. ▲Rate not declared.

Dividends Deferred

rry Biscuit, pref., Oct. 1. Last paid 75c, July 1, 1939.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 228

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending October 31st, 1939. The dividend will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the first day of November, 1939, to shareholders of record of the 20th October, 1939.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 14th September, 1939.

The Canadian Bank of Commerce

Dividend No. 211

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1939, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st November next, to shareholders of record at the close of business on the 30th September, 1939. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT, General Manager.

Toronto, 22nd September, 1939.

ANGLO-CANADIAN TELEPHONE COMPANY

Preferred Dividend Notice

NOTICE is hereby given that a dividend of One and Three-Eighths Per Cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the quarter ending October 31, 1939, payable November 1, 1939, to Stockholders of record at the close of business on October 14, 1939.

By Order of the Board.

GEOFFREY PURDY, Secretary.

Montreal, October 6, 1939.

San Antonio Gold Mines Limited

(No Personal Liability)

Dividend Number Twelve

Notice is hereby given that a dividend of seven cents (7c) a share on the outstanding capital stock of the company has been declared, payable November 6th, 1939, to shareholders of record at the close of business on the 20th day of October, 1939.

By order of the Board.

M. SNYDER, Secretary.

Winnipeg, October 5, 1939.

LAKE OF THE WOODS MILLING CO. LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 3½% has been declared on the Preferred shares of the Company, payable on November 1st, 1939, to holders of such shares on record at the close of business on October 14th, 1939, the same being arrears of dividend with respect to such shares for the period extending from March 1st, 1935, to August 31st, 1935, inclusive.

By Order of the Board,

D. A. MACINNES, Secretary.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividends:

No par Value Common Stock

No. 58, quarterly, 20c. per share, payable November 15th, 1939, to holders of record at the close of business October 31st, 1939.

L. C. HASKELL, F.C.I.S., Secretary.

Montreal, October 2nd, 1939.

Company Reports

Canadian Bakeries

Canadian Bakeries Ltd. reports better earnings for the year ended Aug. 31, with profit equivalent to $6.14 on the 7% first preferred shares, against $2.50 in the previous year.

A plan for readjustment of the company's capital structure was submitted along with the financial statement, and bondholders and shareholders will consider the arrangements at a special meeting Oct. 30 in Calgary, prior to the annual meeting.

A comparison of important balance sheet items follows:

Balance Sheet Items At Aug. 31

	1939 $	1938 $
Cash	179,328	72,065
Fixed assets	1,436,535	1,502,228

Income and Surplus Account Years Ended Aug. 31

	1939 $	1938 $
Operating profit	212,916	172,166
Add: Other inc.	4,348	4,296
Less: Other charges	7,162	5,411
Directors' fees	900	900
Exec. remun.	20,000	11,750
Legal fees	174	177
Net earnings	189,028	151,224
Less: Depreciation	73,125	77,215
Bond interest	36,556	37,833
Income taxes	23,284	13,376
Net prof. & surp. for yr.	56,064	22,800
Less: Prev. deficit	167,090	189,890
Deficit forward	111,026	167,090
Earnings per Share:		
1st pref.: Earned	6.14	2.50

Working Capital

	1939	1938
Current assets	429,934	335,336
Current liabilities	90,070	97,438
Working capital	339,864	237,898

Canadian Power

Canadian Power and Paper Investments, whose portfolio is made up largely of investments in Power Corp. of Canada and Bathurst Power and Paper, reports a drop in revenue and value of securities for the year ended July 31. At the same time the debenture debt of the company was reduced by $69,100.

Income last year totalled $67,598, as against $73,629 the year before. After expenses and debenture interest, as well as an appropriation of $25,000 for depreciation of investments, there was a deficit of $12,920. In the previous year the company set up a reserve of $50,000 for investment depreciation and recorded an over-all deficit of $34,502.

The book value of investments shows little change during the past year, but the market value declined from $1,724,457 to $1,192,193. The debenture debt was reduced from $985,700 to $916,600.

Comparative figures on the profit and loss statement follow:

Income and Surplus Account Years Ended July 31

	1939 $	1938 $
Gross income	67,598	73,629
Less: Expenses	4,210	6,020
Directors' fees	1,500	1,500
Debent. interest	48,576	49,398
Taxes	1,231	1,213
Invest. reserve	25,000	50,000
Deficit for year	12,920	34,502
Previous surplus	8,546	2,632
Add: Debent. discount	15,950	45,680
Surplus forward	11,576	8,546

Lake of Woods Milling

Lake of the Woods Milling Co.'s financial statement for the year ended Aug. 31, 1939 was in line with expectations: sharp increase in earnings; reduction of bank loans to negligible proportions; and an increase in net working capital to over $1 million.

Net operating profit last year of $943,088 compared with $8,615 the year before. Other income also was higher. After prior charges, including an advance of $25,000 in depreciation reserves, net profits were equal to $3.41 a share on the common stock, as against a deficit of $2.72 a share the year before.

The balance sheet shows a general strengthening. Bank loans were reduced from $625,000 to $109,000. Accounts receivable were off from $710,266 to $656,722, while inventories advanced from $894,717 to $1,046,440. All arrears of preferred dividends will be paid off on Nov. 1.

During the past year Canadian mills were better able to compete for export business, says F. S. Meighen, president, and recovered a portion of the previously lost volume. Domestic business was good.

Comparative figures on the profit and loss account follow:

Income and Surplus Account Years Ended Aug. 31

	1939 $	1938 $
Oper. profit	943,088	8,615
Other income	72,900	28,851
Less: Interest	60,811	197,308
Depreciation	100,000	75,000
Income tax	175,550	700
Directors' fees	3,125	3,410
Exec. salaries	66,500	56,700
Legal fees	1,495	480
Net profit	608,508	*296,132
Pfd. dividend	157,500	105,000
Surplus	451,008	*401,132
Previous surplus	1,480,505	†1,881,638
Surplus forward	1,931,513	1,480,506

*Deficit. †After $105,000 on preferred dividend arrears.

Working Capital

	1939 $	1938 $
Current assets	1,759,803	1,680,811
Current liabilities	674,699	1,067,085
Working capital	1,085,104	613,726

N. Bawlf Grain

Earnings of N. Bawlf Grain Co. recorded marked improvement in the year ended July 31. Before providing for executive salaries, depreciation and bond interest there was an operating profit of $115,564 as against an operating loss of $109,958 in the previous year.

Working capital account continues to show a deficit, but the excess of current liabilities has been reduced from $56,329 to $18,498.

The amount of outstanding bonds of the company's subsidiary, Bawlf Terminal Elevator Co. remains unchanged at $205,000.

Income and Surplus Account Years Ended July 31

	1939 $	1938 $
Oper. profit	115,564	†109,958
Less: Exec. sals. & legal fees	33,243	30,057
Directors' fees	1,500	......
Add: Invest. income	9,855	6,288
Net earnings	90,676	†133,727
Less: Depreciation	71,050	......
Bond interest	12,378	14,743
Net profit	7,248	†148,470
Add: Prev. surplus	78,007	230,909
Less: Loss on sale of property	10.099	4,432
Balance forward	75,156	78,007

†Loss.

Working Capital

	1939 $	1938 $
Current assets	350,426	110,293
Current liabilities	368,924	166,622
Working capital	*18,498	*56,329

*Excess of current liabilities over current assets.

Mercury Mills Shows Earnings Improvement

Sales volume of Mercury Mills Ltd. is substantially better than that of last year, The Financial Post is informed. At the present time there is a substantial backlog of orders on hand, and earnings are expected to improve over those of 1938.

The near-term outlook is considered good, but some doubtful factors obscure the long-term prospect. Uncertainties surrounding supply of raw materials, wool, cotton and silk make prediction uncertain.

The company has been showing losses on operations since 1929 and no dividends have been paid on the 6% preference stock since 1930. Arrears now total $52.50 a share. Sinking fund on the 5½% first mortgage bonds is in arrears from 1933.

LAKE OF THE WOODS MILLING COMPANY, LIMITED
AND ITS WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST, 1939

ASSETS

Property Account			
Land, Water Power, Buildings, Machinery and Equipment at Cost, less depreciation applied and the annual amount of depreciation written off Automobiles and Trucks		$6,512,899.76	
Less: Reserve for Depreciation		1,955,383.23	$4,557,516.53
Deferred Charges to Revenue			26,486.93
Investment in Controlled Company—Allied Industry: (Held by the Trustee for the Bondholders)			609,165.00
Sundry Investments—Grain Exchange Seat, etc.			6,532.00
Goodwill, Trade Marks, etc.			250,000.00
Cash on Hand and in Banks (net)		41,641.32	
Investments (Market Value $21,860.00)		15,000.00	
Accounts Receivable — After providing for Bad and Doubtful Debts		656,722.30	
Inventories — Valued as follows: Grain at approximate Market Value. Flour and Feed at approximate Manufactured Cost. Bags and Materials at approximate Manufactured Cost and approximate Cost Price respectively		1,046,440.18	1,759,803.80
			$7,209,506.26

LIABILITIES

Capital Stock — Authorized: 200,000 Shares of No Par Value. 15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each.			
Issued: 147,689 Shares of No Par Value		$2,953,780.00	
15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each		1,500,000.00	$4,453,780.00
First Mortgage Bonds, 6% Due 1st May, 1941; Issued and held by the Banks as collateral to Loans	$4,000,000.00		
Bank Loans Secured as Above and Under Sections 86 and 88 of the Bank Act		109,000.00	
Accounts Payable		358,718.30	
Provision for Federal, Provincial and Municipal Taxes		206,980.77	674,699.07
Insurance and Other Reserves			149,513.58
Earned Surplus			1,931,513.61
			$7,209,506.26

PROFIT AND LOSS AND SURPLUS ACCOUNT FOR THE YEAR ENDED 31st AUGUST, 1939

Balance—at 31st August, 1938			$1,480,505.76
Net Operating Profit for the year ended 31st August, 1939		$ 943,088.26	
Less: Interest	$ 60,811.10		
Depreciation	100,000.00		
Provision for Income Taxes	175,550.00		
Directors' Fees	3,125.00		
Executive Salaries	66,500.10		
Legal Fees	1,494.90	407,481.10	
		535,607.16	
Dividends from Investment in Controlled Company		38,730.25	
Income from Investments		2,354.38	
Miscellaneous Recoveries		16,316.29	
Adjustment of Depreciation for prior years		15,499.77	608,507.85
			2,089,013.61
Deduct: Dividend on Cumulative Preferred Stock—Dividend for one and one-half years			157,500.00
Balance—at 31st August, 1939 per Consolidated Balance Sheet			$1,931,513.61

Contingent Liabilities:
Guarantee of $1,127,500.00 5¼% Bonds of Inter City Baking Company, Limited.
On Customers' Paper under Discount $119,791.04.

Note: Dividends upon the Cumulative Preferred Stock are in arrears for six months.

On behalf of the Board: HUGH MACKAY, C. H. G. SHORT, Directors.

Montreal, 3rd October, 1939.

We have examined and audited the Books and Accounts of the Lake of the Woods Milling Company, Limited and of its Wholly Owned Subsidiary Companies for the year ended 31st August, 1939.

The investment in the Controlled Company appears in the Balance Sheet at what, in our opinion, may be considered a fair valuation. The dividends paid by this Company were less than its earnings during the period under review.

The Inventories of Stocks on Hand have been determined and certified correct by responsible Officials of the Companies and we have satisfied ourselves that the basis of valuation is as stated.

Subject to the above remarks, we report that we have obtained all the information and explanations we have required and that, in our opinion, the above Consolidated Balance Sheet as at 31st August, 1939 is properly drawn up so as to exhibit a true and correct view of the state of the Combined Companies' affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON, Chartered Accountants, Auditors

Week in Wheat

Farmers Hold Wheat Awaiting Price Rise

Delivering to Board Only to Meet Needs for Ready Cash — Definite War Purchasing Policy by United Kingdom Sought

From Our Own Correspondent

WINNIPEG.—So far this season farmers have shown great reluctance to part with their wheat. They are delivering to the Wheat Board only sufficient quantities to meet their needs for ready cash, holding back the surplus in anticipation of higher prices later.

Under the present marketing regulations each farmer is entitled to receive the Government minimum price up to 5,000 bushels and, although current prices have been hovering below this minimum, there has been no hurry to deliver to the Board. Farmers feel that carrying costs of Board delivered wheat so far have seriously cut into any future profits.

The rally in prices since the holiday, however, if continued, may alter the present situation.

Holding by Farmers

To a large extent they are willing to take a chance on paying storage charges on their own wheat, in the expectation that a rise in price within a few months will make holding pay. That does not mean, of course, that the Wheat Board is not receiving plenty of wheat. Farmers must dispose of a large part of their crop, in order to secure cash.

The most disappointed farmers at the moment are those who refused to sell when they could have got an open market price ten cents a bushel or so higher than the board basis, and now find it necessary to turn their wheat into the board.

* * *

Export Business Lacking

The Winnipeg market has been discouraged during most of the past week by uncertainty as to policy of both the Canadian Government and that of Great Britain. Wheat business with the United States has largely dried up, while traders endeavor to make sure just how their transactions might be affected by regulations of the Exchange Board. While official statements indicated a willingness on the part of the authorities to facilitate necessary business, including spreading transactions between Winnipeg and Chicago, traders are not yet quite sure just how the regulations will be interpreted.

Previous to the holiday there was a marked absence of any indication of buying from Great Britain. Instead, there were reports of British buying of both Argentine and Roumanian wheat, and reports from Great Britain which seem to indicate a certain indifference to making immediate purchases of Canadian wheat. No one supposes that it will be very long before heavy shipments of Canadian wheat will be required in the United Kingdom, or that it will be long before any difficulties in the way of extensive purchases are ironed out. But the market will have to see real evidence of such purchases before any great degree of confidence can be established.

* * *

Wheat Buying Policy

Hopes are expressed here that the Canadian War Supplies Board will shortly be placed in a position to act as purchasing agent for the British Government. It is felt that the present wheat purchasing commission in Great Britain has so far been carrying on its work with a single eye to getting wheat at the lowest possible price, but that before long, wheat purchasing will be co-ordinated with policies affecting financial arrangements and exchange controls.

Such co-ordination, it is believed, should in the interests of both governments, result in more aggressive buying of Canadian wheat, and the establishment of price levels on a more reasonable basis. If such an arrangement is not sooner effected, it is presumed that the forthcoming consultations of the Hon. T. A. Crerar with the British Government may lead to an important change in the situation.

* * *

U. S. Crops

The winter wheat belt in the United States has received some rain, alleviating fears that a crop disaster due to drought was in the making. But it is clear that some definite damage has been done to the winter wheat crop. This is due to some extent to delayed or omitted seeding, and to some extent to failure of seeded crops to germinate, or develop satisfactorily for this season of the year.

Markets south of the line have held a certain degree of strength because of nervousness in this connection. But traders were unwilling to be greatly influenced by highly alarming reports published. Markets in the United States have held at levels well above an export basis, mainly because of expectation of war developments.

Farmers have been holding back their wheat to a large extent, quite sufficient to prevent any glut in the cash market, and quite sufficient to force millers to bid strongly for wheat for immediate use. It has been the demand from millers and flour buyers, on the one hand, and the firm holding of farmers on the other, that has been mainly responsible for price levels. That is shown by the fact that cash wheat has been selling at substantial premiums over distant futures, quite the reverse of the situation in Winnipeg, where the distant futures are at a fairly substantial carrying charge over cash wheat prices.

C. G. E. Announces New Ventilating Unit

Canadian General Electric Co. is marketing new home or office ventilating equipment. Called the "Marvel-Aire Unit," this equipment is said to provide proper control of moisture content of the air. The units are portable and may be plugged into ordinary lighting circuits without any alteration. Three models are available priced at $29.95 to $69.50 varying from one with a water-tank capacity of 3¼ gallons and air capacity of nine thousand cubic feet per hour to a large model which has a water-tank capacity of 6½ gallons and an air capacity of 14,000 cubic feet per hour.

Ontario Millers Object To Board

Claim Policies on Ontario Wheat Proving Injurious

Dissatisfaction with the policy of the Canadian Wheat Board in handling the Ontario crop is being expressed by winter wheat flour millers.

Contradictions in procedure and selling practices are claimed by the millers. The crop was a large one and ordinarily would have meant good business for the mills. It is claimed that normal practices of the industry have been disrupted by the Board despite assurances to the contrary.

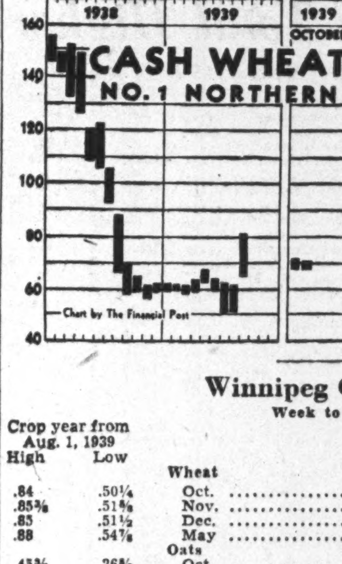
With wartime price rise of grain the board was urged to adopt some fixed standard of value for Ontario winter wheat. It was announced by the board that one cent a bushel over the Winnipeg option for October would be the basic price, but within a few days, the millers state, the board moved its price for Ontario grain to 22½ cents over Winnipeg. Millers claim that the effect of this action has been injurious to their business.

SEAGRAM SINKING FUND

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams reports that during September the company purchased for retirement and cancellation on account of sinking fund, 800 shares of the company's 5% cumulative preferred stock. At the end of last month there were 164,100 preferred shares outstanding.

Wheat Prices



	For Week Oct. 10 High	For Week Oct. 10 Low	Prev. Week High	Prev. Week Low
1 Hard	.70⅛	.68¼	.71⅛	.68¾
1 Northern	.70⅛	.68¼	.71⅛	.68¾
2 Northern	.67⅝	.65¾	.68⅝	.66¼
3 Northern	.65¾	.64	.66½	.62¼
4 Northern	.62⅝	.60¾	.62½	.60⅝
5 Wheat	.57⅛	.55¼	.58	.55⅝
6 Wheat	.53⅛	.51¼	.54	.51⅝
Feed Wheat	.52⅛	.50¼	.53	.50⅝

Winnipeg Grain Futures

Week to Oct. 10, 1939

Crop year from Aug. 1, 1939 High	Low		Open Oct. 4	High for week	Low for week	Close Oct. 10	Close year ago
		Wheat					
.84	.50¼	Oct.	.68¾	.70⅛	.68¼	.70⅛	.60
.85⅜	.51⅝	Nov.	.70½	.72	.69¼	.71¼	.60⅛
.85	.51½	Dec.	.70⅞	.72¾	.70⅛	.72	.59½
.88	.54⅞	May	.75½	.77⅝	.74¾	.76⅝	.63
		Oats					
.45⅜	.26⅝	Oct.	.32	.33¼	.31¼	.32	.27¾
.40	.31⅜	Nov.	.....	.31⅝	.31⅜	.31⅜	.....
.41	.26⅛	Dec.	.30⅝	.31⅜	.30⅛	.30¾	.27¼
.45¾	.27½	May	.31⅛	.31½	.30½	.30⅞	.28½
		Barley					
.50⅜	.33½	Oct.	.41¼	.43⅜	.41¼	.43¼	.37¾
.50	.32⅝	Oct. (new)	.42⅛	.44	.41¾	.43⅝	.....
.53	.42½	Nov.	.....	.43⅛	.42½	.43⅛	.....
.49⅝	.32⅜	Dec.	.41⅞	.43⅝	.41¼	.42⅞	.35⅝
.51⅜	.33⅝	May	.42⅝	.44¼	.41¾	.43¼	.37
		Flax					
1.86	1.26¼	Oct.	.....	1.76	1.73	1.73	1.34¾
1.75½	1.55	Nov.	.....	1.75½	1.71¼	1.73	.....
1.76	1.23¾	Dec.	1.68½	1.69½	1.68	1.67½	1.31½
1.81	1.54	May	1.67	1.68½	1.67	1.67	1.34¾
		Rye					
.61⅜	.36½	Oct.	.58⅜	.61⅜	.58⅜	.60⅝	.42
.62½	.52	Nov.	.....	.58	.56	.58	.....
.61	.37½	Dec.	.54⅛	.57½	.54¾	.56¾	.41⅝
.65	.40	May	.55⅞	.58⅝	.55⅜	.57⅝	.43⅝

GRAIN MERCHANTS

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Owning and Operating Terminal, Transfer and Country Elevators Capacity 12,500,000 Bushels

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JAMES RICHARDSON & SONS LIMITED

Wheat Marketing Change Unlikely

Government Position to Be Outlined to Pools' Delegation

From Our Own Correspondent

OTTAWA.—A delegation representing the wheat pools is expected at Ottawa to confer with the wheat sub-committee of the Cabinet late this week.

Without anticipating the representations the pool people will make, it is evident here that the Government has no intention of changing the present system of marketing. There will be no compulsory wheat board for the present or for as far ahead as one can now see. Neither will the Winnipeg market be closed.

The sub-committee in recent discussions with officers of the present Wheat Board has discussed marketing policies. A certain amount of wheat is being sold to neutral countries but it is learned that Britain has not been a buyer for some time.

Britain is buying heavily from Roumania as a part of the economic campaign now being waged against Germany. But she is also buying from Argentine. There is reason to believe that Britain would be glad to build up large reserves of Canadian wheat but would like Ottawa to finance the purchases.

Commodity Prices

With the first wave of speculative buying subsiding, commodity prices have developed an irregular trend with declines in the majority.

Hogs have been stronger owing to the limited supply of animals of the right type and the expected heavy demand for bacon and other hog products owing to the war. Silk has also been affected by an expected reduction in exports from the Orient.

Rubber on the other hand, has been easier owing to a further increase of 5% in the export quota, to 75% of the basic figure for the fourth quarter, compared with 60% for the third quarter.

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$8.00	$6.75
Hogs	9.25	9.00	9.15
Copper, lb.	.12½	.12½	.10⅝
Cotton, lb.	.0916	.0939	.0850
Rubber, lb.	.1925	.2010	.1730
Sugar, raw, lb.	.0365	.0367½	.0315
Silk, lb.	3.10	3.03	1.86
Wheat, Man. (bu.)	.68¼	.69¼	.61
Coffee, lb.	.06¼	.05¼	.05⅛
Hides	.15½	.16½	.12
Weekly Indices			
Canada (D.B.S.)	77.9	77.9	74.5
Do., Wood, Gundy	63.4	65.4	55.7
U. S. Labor	79.5	79.5	78.0
Dow Jones (future)	54.79	56.77	48.42
Fishers'	82.7	83.6	80.5
Monthly Indices			
Canada (D.B.S.):			
Retail (August)	83.0	83.1	84.9
W'sale (August)	72.4	72.6	78.0
U. S. (July)	75.4	75.6	78.8
Gt. Brit. (July)	98.1	98.1	100.6

Note: The base of indices is that 1926 equal 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

FEDERAL GRAIN LIMITED

OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

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TRANS-CANADA TELEPHONE SYSTEM

THE BELL TELEPHONE COMPANY OF CANADA

Insurance

New Group Life Policies Subject to War Clauses

Contracts Being for Terms of One to Five Years May be Revised Like Term Policies — Some Would Exclude Enlisted Lives

New contracts for group life insurance, like policies on individual lives, contain war clauses. As yet these have been worked out only tentatively, and there is considerable variation in company practice. A committee of the life insurance companies, however, is working on the whole matter with a view to clarifying the situation and establishing some sort of uniform procedure.

In general, it is believed many new master policies will contain a clause providing that any individual, insured under the contract, who leaves the service of his employer to engage in active service, will cease to be a member of the group. He will, however, be allowed to take out equivalent insurance on one of the ordinary plans at the rate payable for his age at the date of enlisting. Aviation and war restriction clauses will of course be included.

In certain other cases, it is understood, the plan is to charge an additional war premium on employees who enlist only. The extra premium would be the same as charged on ordinary policies in addition to the regular rate.

Yet another plan is to increase the rate $2 per year, per $1,000 of insurance or some similar sum on all employees covered by a group contract, regardless of the number that enlist.

Attitude of Employer

In all circumstances, of course, much depends on the attitude of the employer. Insurance men state that some firms have indicated they are willing to pay an increased rate on their group insurance, provided that the policy will cover enlisted men and women who are given leave of absence. Others again suggest dividing the increased cost with the employees on a basis to be mutually agreed on.

Some of the companies indicate that when an increased rate is charged and a group policy issued or renewed, if the surcharge is found at the end of the war to have been too heavy, a rebate will be made.

Unlike the ordinary life policy, however, there are three parties to the group contract, the employee, the employer and the life company. New contracts accordingly will have to be made, with a view to the interests of all three. As in the case of ordinary life policies, there will be no interference with existing contracts which had no war clauses.

Some of the conditions of the average pre-war group policy are similar in effect to those being inserted now as war clauses. For instance, in the old policies, it is provided that an insured employee ceases to be insured when he leaves the service of his employer. Accordingly any employee, insured under a group policy, leaving to enlist, automatically ceases to be insured. The contract of course provides, just as do the new policies, that he would be able to take up an equivalent amount of ordinary insurance at the regular rate without medical insurance. The regular rate now would include the war premium, if he went overseas with the forces.

On the other hand, if he does not leave his employer definitely, but is granted leave of absence, as is being done in many cases, such as the chartered banks, the old contract will stand as long as the premium is paid. This premium, hoyever, as indicated above, is liable to be raised whenever the policy is renewed. This can be done because the group policy is really a term contract. Under it, the rate is guaranteed for a definite period of from one to five years. Most of them are for five years. At the end of the term, the rate for the next period is based on the experience of the one just ended. If there have been some substantial casualties in the group, the rate may be raised sharply. In such cases the employer may object to renewal.

At present there is considerable diversity of opinion and practice, but it is expected that this will be remedied shortly. Revisions, however, will be made from time to time, it is stated, as greater experience is gained as to the probable number of casualties.

THE
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Mutual Insurance Co.
Assets $2,234,188.78
Surplus 1,057,853.38
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Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

Sun Life Share Deal Freeport Sulphur Bonds

From Our Own Correspondent

MONTREAL.—Metropolitan Life Insurance Co. and Sun Life Assurance Company of Canada have jointly purchased $3 millions of Freeport Sulphur Co.'s 3% 20-year sinking fund debentures at a price of 100½ and accrued interest. These debentures are dated Dec. 1, 1939, and will mature Dec. 1, 1959.

Kidder, Peabody & Co. assisted in negotiation of the loan with the two insurance companies.

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Insurance Company
of Canada
TORONTO

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LIFE ASSURANCE COMPANY
ESTABLISHED 1906
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ALL PROFITS FOR POLICYHOLDERS

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Dominion of Canada
GENERAL
Insurance Company
Established 1887
Fire Casualty Life

LATEST ADVANCES IN ZEPHYR

Most recent improvements in design and equipment, both those developed by Ford Motor Co. and the industry generally, are incorporated in 1940 models of the Lincoln-Zephyr car. All models have the new sealed beam headlights which strikingly improve night driving efficiency; and a special type of steering post gearshift, which permits gears to be changed with fingertip pressure without moving the hand from the steering wheel. Above photo shows how the functional design of low hood and flared grille, pioneered by Zephyr several years ago, has been refined and extended in the new models. Note divided front bumper, designed to aid the engine cooling assured by the low grille.

October Dividends Bring Year's Total Higher

Dividends scheduled for payment by Canadian corporations in October of this year are about $700,000 above those actually disbursed for the same period of last year. This improvement, following after two previous months when gains were also shown, comes very close to bringing the total for the first ten months of 1939 up to last year's high levels.

With payments scheduled for this year only $130,000 below last year's total for the corresponding period, it is quite possible for the entire year to exceed last year's total. Whether or not this will actually take place will not be known with any certainty until December payments are announced. If December dividends could be maintained at last year's level, it is quite possible that the whole of 1939 would reach a new record.

May Depend on Pete

The chief reason for doubting that this will happen is the fact that Imperial Oil and International Petroleum declarations come along for that month. Last June International Petroleum declared an extra of 25 cents a share as compared with 50 cents paid for the previous few years. If this company pays at the rate of June, 1939, when the final dividend for the year comes along, it will be unlikely if 1939's total can reach that of 1938.

How the monthly totals compare so far this year is shown by the following tabulation.

Monthly Dividends

	1939 $	1938 $
January	20,670,579	23,070,522
February	7,002,808	5,018,310
March	26,233,492	23,731,375
April	20,895,644	22,535,469
May	6,892,927	5,711,004
June	64,924,477	69,178,056
July	23,543,271	27,403,971
August	6,506,837	5,926,268
September	24,298,569	19,844,761
October	20,834,068	19,505,640
	221,802,672	221,933,376

Contributing to October's good showing are initial payments by Detroit & Canada Tunnel, God's Lake Gold and Powell Rouyn. Canada Bread is paying off another 37½ cents a share on the arrears of dividends on its second preferred, while Investment Foundation is also paying 25 cents a share on arrears.

Many Extras

Extra dividends have been declared for October payment by the following companies: Bralorne, 10 cents; Cariboo Gold, 1 cent; Dominion Oilcloth, 10 cents; Hollinger 5 cents; Lamaque Gold, 2 cents; Sheep Creek Gold, 1 cent; St. Lawrence Flour, 50 cents; Sullivan Consolidated, 1 cent; Teck-Hughes, 3 cents; Wright-Hargreaves, 5 cents.

On the other hand Hedley Mascot has passed a dividend ordinarily due this month as has Inter-State Royalty. Canadian Westinghouse is only paying 37½ cents instead of 50 cents and Standard Fuel $1 a share instead of $1.62½.

Summary of October Payments

	1939 $	1938 $
Dividends	20,834,068	19,505,640
Bond interest	33,516,000	35,594,000
Total	54,350,068	55,099,640

Dividend Payments

Company:	Rate $	Date	Amount $
Agnew Surpass, p	1.75q	2	15,333
Alta. Wood P., p	1.75q	2	3,895
Amer. Cyan., A B	.15q	2	401,700
Assoc. Brew., pfd	1.75q	2	14,242
Bk. of N. Scotia	3q	2	360,000
Belding Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	16	1,611,918
Bralorne Mines	.20q	14	249,400
Do., extra	.10	14	124,700
Brant Cordage, p	.32½q	15	12,490
Brazilian Tr., pfd	1.50q	2	5,901
B. C. Power, A	.50q	14	500,000
Brit. Amer. Assur.	1.50s	2	37,500
Brit. Amer. Oil	.25q	2	693,160
B. C. El. Pr. & G., p	1.50q	2	75,000
B. C. Tele., 1st p	1.50q	1	15,000
Brockville Trust	.62½q	2	6,250
Building Products	.17½q	2	84,592
Burlington Steel	.15q	2	21,000
Canada Bread, p	1.25q	2	15,625
Do., 2nd pref	.62½q	2	15,625
Do., arrears	.32½	2	9,375
Canada Life	5q	2	50,000
Can. Nor. Power	.30q	25	120,000
Do., pref	1.75q	16	96,250
Canada Packers	.75q	2	150,000
Can. Perm. Mtge.	2q	2	140,000
Can. Canners, pfd	.25q	2	47,719
Do., 2nd pref	.15q	2	54,559
Can. Breweries, pfd	.50q	2	81,714
Can. Cottons	1q	2	27,155
Do., pref	1.50q	2	54,924
Can. Fairbanks, pref	1.50q	16	17,517
Can. For. Invest., p	2q	1	19,618
Can. Gen. Elec.	1.50q	2	283,268
Can. Gen. Invest.	.12½q	16	75,073
Can. Industries, A B	1.75q	31	1,207,707
Do., pref	1.75q	16	81,375
Canadian Oil, pfd	2q	2	40,000
Can. Tube & Steel, p	1	16	15,000
Can. West'ghouse	.37½	1	204,750
Can. Wire Box, A	.37½q	1	19,456
Cariboo Gold	.04q	2	53,332
Do., extra	.01	2	13,333
Carnation Co., 1st pf	1.25q	2	46,865
Celanese of Amer., p	1.75q	1	288,431
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Com. Alcohols. pf	.10q	16	5,000
Consol. Bakeries	.25q	2	79,610
Consumers' Gas	2.50q	2	363,880
Coronation Rylts.	.02½	3	20,000
Cosmos Imperial, p	1.25q	14	5,875
Crown Life	3%q	2	8,352
Detroit & C. Tunnel	†1	16	127,645
Dome Mines	.50q	2	973,334
Dominion Coal, p	.37q	2	84,924
Dom. Foundries	.25	2	77,901
Dom. Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	16	33,965
Dom. Oilcloth	.30	31	210,000
Do., extra	.10	31	70,000
East Can. Sav.	1.50q	1	11,250
Eastern Trust	2q	2	20,000
Econ. Inc. Trust	.62½s	2	24,953
Edm. C. Dairy, p.	1.25q	2	9,666
Fanny Farmer	.37½q	2	144,295
Frontier Rylts.	.02½	3	37,500
Ford Hotels	1	21	170,000
Gatineau Pwr., pf	1.37½q	1	48,125
Do., 5% pfd	1.25q	1	152,450
Gen. Steel Wares, p	1.75	16	78,750
General Trusts	1.50q	2	16,500
Goodyear Tire	.62q	2	159,501
Do., pref	.62½q	2	75,000
God's Lake Gold	†.05	1	175,000
Gordon & Belyea, p	1.50q	2	2,029
Do., 2nd pref.	1.50q	2	192
Gt. Lakes Power, p	1.75q	16	13,125
Gt. West Life	3.75q	2	37,500
Greening Wire	.15q	2	28,500
Guardian Rlty. p	.50q	14	5,000
Ham. Cotton, pf	.50q	1	9,242
Hinde & Dauch	.12½q	2	37,491
Hollinger Cons.	.05	7	246,000
Do., extra	.05	7	246,000
Huron & E. Mtge.	1%	2	50,000
Imperial Life	3.75q	2	37,500
Inter. Milling, p	1.25q	14	72,700
Inter. Power, pref	1.50q	2	120,000
Invest. Found., p	.75q	16	22,177
Do., arrears	.25	16	7,392
Jam. Pub. Ser.	.50q	2	22,500
Do., pref	1.75q	2	13,125
Kerr Lake M.	.10	20	60,000
Kootenay Belle	.04	21	27,008
Lamaque Gold	.10	2	300,000
Do., extra	.02	2	60,000
Landed Banking	1q	2	10,000
Lang, J. A.	.17½q	2	17,500
McColl-Fron., p	1.50q	14	117,741
McWatters Gold	.10	10	187,250
Maritime Tel.	.17½q	16	65,671
Do., pref.	.17½q	16	26,250
Maple L. Gardens, p	.70	26	56,000
Mitchell, J. S., p	1.75q	2	4,823
Moneta Porc.	.03	14	76,315
Mtl. C. & D. Sav.	3q	2	60,000
Montreal L-H Pr.	.37q	31	1,660,937
Montreal Telegraph	‡.68q	16	34,123
Montreal Trams.	1.50q	14	105,000
Moore Corp.	.40q	2	156,688
Do., pref A B	1.75q	2	65,059
Nan-Dun. Util., c	.20s	2	10,000
National Brew.	.50q	2	360,686
Do., pref	.44q	2	48,840
Nat. Grocers, pfd	.37½q	2	56,250
Nat. Steel Car	.50q	14	87,750
National Trust	2q	2	60,000
N. B. Telephone	.12½q	15	72,310
Niagara Wire	.25q	2	28,750
North. Ont. Pwr.	.60q	25	144,020
Do., pref	1.50q	25	37,474
North Star Oil, p	.08¾q	2	17,500
N. S. Light & P., ord	1.50q	1	51,784
N. S. Trust	3.50s	15	17,500
O'Brien Gold	.10	16	325,000
Ogilvie Flour, c	.25q	2	150,000
Ont. Loan & Deb.	1.25q	2	50,000
Ottawa L. H. & P.	.25q	2	35,000
Do., pref	1.25q	2	21,250
Page Hersey	1q	2	174,276
Pioneer Gold	.10q	2	175,175
Porto Rico Pr., p	1.75q	2	17,500
Powell Rouyn	†.05	16	62,500
Power Corp., pf	1.50q	16	75,000
Do., 2nd pref	.75q	16	75,000
Premier Gold	.03q	16	150,000
Prov. Paper, pfd	1.75q	2	61,250
Remington Rand	.20q	2	316,978
Do., pref.	1.12½q	2	208,272
Riverside Silk, A	.50q	2	15,000
Sheep Creek G.	.04q	14	75,000
Do., extra	.01	14	18,750
Sher.-Williams, p	1.75q	2	60,550
Silbak Prem.	.04	25	100,000
Silverwoods, pfd	.20s	2	28,819
Smith H. Pap., pf	1.50q	16	93,774
South. Can. Pr., p	1.50q	16	106,333
Stand. Fuel, p	1q	1	11,860
Stand. Steel, p	.75q	1	7,342
St. John Dry D., p	1.37q	1	4,822
St. Law. Flour, c	*.50	2	18,000
Stedman Bros.	.15q	2	13,500
Do., pref	.75q	2	4,500
Sullivan Cons.	.03	31	120,000
Do., bonus	.01	31	40,000
Sun Life	3.75q	2	75,000
Tamblyn	.20q	2	22,400
Do., pref	.62½q	2	3,750
Teck Hughes	.10q	2	480,714
Do., extra	.03	2	144,214
Tip Top Tailors	.15q	2	18,000
Do., pref	1.75q	2	18,288
Tor. Gen. Trusts	1q	2	30,000
Toronto Mtg.e	1.50q	2	29,595
Tuckett Tob., pf	1.75q	14	35,000
United Fuel, A p	.75q	2	67,500
Viau, pref	1.25q	2	11,825
Wabasso Cotton	.25q	2	17,475
West Koot. Pr., p	1.75q	2	8,750
West. Assur., c	1.20s	2	66,000
West. Grocers	.75q	15	12,706
Do., pref	1.75q	15	20,899
Weston, Geo., c	.20q	2	80,884
Wilsil	.25q	2	33,925
Wr.-Hargreaves	.10q	2	550,000
Do, extra	.05	2	275,000
Total			20,834,068

q—Quarterly. s—Semi-annually.
† Initial. * Bonus.
‡ Net—corporation income tax deducted.

Bond Interest Due in October

	1939 $
Municipal	7,757,000
Provincial	7,343,000
Dominion	18,416,000
Total	33,516,000

Obituaries

A. F. Smith, assistant general manager of A. McKim Ltd., advertising agency, at Montreal, age 43.

W. S. Gray, former manager market branch, Dominion Bank at Toronto, aged 64, at Aurora.

Gordon Waldron, barrister, formerly legal adviser of the United Farmers of Ontario, aged 75, at Toronto.

Andrew Davie, advertising manager of Belleville Intelligencer, aged 65, at Belleville.

John Appleton, former secretary of the Canadian Life Insurance Officers Association and of the Dominion Mortgage and Investment Association, and at one time editor of The Financial Post, aged 72, at Toronto.

Insurance Superintendent For Nova Scotia Appointed

Arthur S. Barnstead has been appointed superintendent of insurance for Nova Scotia, with Charles Lamb as deputy superintendent. These appointments implement legislation passed at last session of the provincial assembly, creating these offices for the first time. They do not involve any change in the insurance statutes of the province, but relate solely to their administration.

Mr. Barnstead has been deputy provincial secretary and clerk of the executive council for Nova Scotia since 1918. He is also registrar of joint stock companies. For several years he has been responsible for the administration of insurance law in the province. Mr. Lamb has been his first assistant in the other offices which he holds. Both Mr. Barnstead and Mr. Lamb are members of the Nova Scotia bar.

Insurance Notes

The Canadian War Risk Committee has announced a reduction in war risk insurance on cargoes leaving Canadian ports in allied ships for the United Kingdom, to 4% of cargo value. This compares with 5% formerly. The 4% rate, to and from the United Kingdom, also applies to neutral vessels other than United States. On U. S. vessels there is a rate of 2½% on exports and 1½% on imports. Highest rates prevail on cargoes to and from the Scandinavian countries which range up to 7½%.

* * *

The Great West Life Assurance Co. has announced that it will make every effort to keep open a position for those employees who volunteer for war service. The company will also pay full salary for one month, and afterward, in the case of married men, the full difference between salary and army pay and allowances. For single men without dependents, the company will pay the difference between two thirds of salary and army pay and allowances.

* * *

The Universal Life and Annuity Co. of Winnipeg, announces an increase in new business in September of 100% over September 1938. New written premiums for the first 9 months show a gain of 300%.

* * *

New settled for business of the Equitable Life of Canada for the first 9 months of 1939 is 20% ahead of 1938, according to M. J. Smith, general manager. Business during the last quarter, he states, has been particularly good, and new business written in September was double that of a year ago.

* * *

After four months at the head office of the Liverpool & London & Globe Insurance Co., in Liverpool, England, H. Churchill-Smith, formerly assistant manager for the Royal-Liverpool group in Canada, is back in the Dominion again. He has been appointed assistant manager of the Royal Insurance Co. at the company's maritime head office at Halifax.

Pearl Assurance Increases Investment in Associate

The Pearl Assurance Co. is increasing its investment in its American associate, the Eureka-Security Fire and Marine Insurance Co., of Cincinnati by $2 millions. All of the shares (except directors qualifying shares), of the Eureka-Security are owned by the Pearl.

The increase is being accomplished by reducing the par value of the Eureka-Security shares from $5 to $2.50 and issuing 200,000 shares of Eureka-Security stock. The Pearl will buy these with its American funds at $10 per share. Of this amount, $2.50 will go to capital account and $7.50 to surplus account. Thus the capital of the Eureka-Security will remain at $1 million and the surplus be increased by $2 millions. The Eureka-Security was originally two companies, the Eureka Fire and Marine founded in 1864, the same year as the Pearl in London and the Security Fire and Marine, founded in 1881. In 1922 the two were merged under the present name. Control was purchased by the Pearl in 1934.

The Sure Way to Create an Estate

is by Life Insurance. Immediately your application is accepted and the first premium paid, you will have created an estate for the protection of your family should you suddenly pass away.

Not only will this provide security for your family, but should you outlive the policy term, the proceeds will be available for your own needs when earning power has ceased.

Northern Life policies are designed to meet the requirements for every type of protection and financial security.

Let a Northern Life representative submit a recommendation for your needs in relation to your responsibilities.

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Banking

Bank Investments Down As Loans Are Increased

Largest Reduction Shown in Long-term Government Issues — Cut in Note Circulation Offset by Increase in Bank of Canada Notes

Liquidation of investments to secure funds for additional loans is reflected in the regular monthly return of the Canadian chartered banks to the Minister of Finance as at August 31. The reduction in investments occurred mainly in long term issues which were down $16.9 millions, while short terms were down $2.8 millions, compared with the previous month. On the other hand, holdings of municipal bonds and foreign public securities were higher by $1.2 million and $6 millions respectively. Comparison of the Bank of Canada statements as at July 31 and August 31 show that its holdings of long term government securities increased about $700,000 during the month, while holdings of short term issues were down $1.5 million. It would appear therefore that the bulk of the bonds liquidated by the chartered banks were sold on the open market and not to the Bank of Canada. The decrease in investments was contrary to the movement of a year ago when holdings of the chartered banks were increased.

Loans Higher

Total loans increased during the month by $7.5 millions. In the individual items expansion was shown in loans to the provinces and commercial loans in Canada. Holdings of municipal and call loans were lower. The reduction in municipal loans is a seasonal trend. Compared with a year ago, the moderate increase of $843,314 is shown. Call loans reflected the absence of any great stock market activity.

Deposits in Canada during the month also expanded by $15.6 millions. Compared with a year ago they are up $85.2 millions. Expansion in savings deposits was $67.2 millions and in demand deposits, $18 millions. The result was that The Financial Post Credit Index which is the ratio of domestic current and call loans to demand and savings deposits in Canada, rose 0.2% from the previous month to 36.3% but millions over last year.

Foreign Deposits Higher

Changes in the position of the banks in other countries included a gain of $45 millions over the previous month and of $133.5 millions over last year, in deposits with foreign banks. On the liability side, deposits by the public with the chartered banks abroad were up by $26.6 millions over July and $100.4 millions over last year.

The increase in deposits with the chartered banks abroad was attributed partly to expanding trade, reflecting payments through the banks for the account of exporters. Expansion in foreign deposits with the chartered banks, was more than accounted for by an increase in deposits in Canada in currencies other than Canadian.

Circulation Lower

Note circulation decreased by only $19,277 and compared with a year ago by $5.8 millions. The decline was well offset by expansion of $10 millions in the circulation of the Bank of Canada during the month.

Total assets of the banks at $3,548 millions were $214 millions higher than a year ago.

Use of Bank Credit in Canada
(In Millions of Dollars

	August 1939	July 1939	Change %	August 1938	Change %
Loans	1,005.9	998.4	+ 7.5	983.2	+22.7
Investments	1,507.3	1,520.3	—13.0	1,439.3	+67.5
Total	2,513.2	2,518.7	— 5.5	2,423.0	—90.2
Deposits	2,407.1	2,391.4	+15.7	2,321.8	+85.3
Credit index*	36 3	36.1	+ 0.2	36.6	— 0.3

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS
Immediately Available Liquid Assets

	August 1939 $	July 1939 $	Change $	August 1938 $	Change $
Canadian coin	5,790,183	5,676,665	+ 113,518	5,459,253	+ 330,930
Bk. of Can. notes	57,645,819	53,832,318	+ 3,813,501	54,472,989	+ 3,172,830
Bk. of Can. depos.	201,318,349	206,916,552	— 5,598,203	202,249,878	— 931,529
Bank's cash	264,754,351	266,425,535	— 1,671,184	262,182,120	+ 2,572,231
Other bank notes	4,946,491	6,638,334	— 1,691,843	5,838,326	— 891,835
Gold & sub. coin abd.	5,807,662	5,578,873	+ 228,789	6,123,183	— 315,521
Foreign banks	262,863,634	217.822,774	+45,045,860	129,294,933	+133,573,701
Foreign curr.	30,720,034	32,857,535	— 2,137,501	27,492,536	+ 3,227,498
Gov. sec. short term	443,343,995	446,167,762	— 2,823,767	435,407,530	+ 7,936,465
Do., long term	743,873,020	760,843,905	—16,970,885	709,561,150	+ 34,311,870
Call loans abroad	41,843,104	42,682,852	— 839,748	55,048,243	— 13,205,139
	1,798,157,291	1,779,017,570	+19,139,721	1,630,948,021	+167,209,270
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	104,005,339	102,738,622	+ 1,266,717	104,345,324	— 339,985
Public secs.§	88,495,365	82,434,615	+ 6,060,750	63,561,813	+ 24,933,552
Other secs.	127,571,853	128,154,178	— 582,325	126,987,569	+ 584,284
Can. call loans	49,106,766	51,239,956	— 2,133,190	70,533,480	— 21,426,714
Current loans	826,351,734	813,947,295	+12,404,439	781,010,385	+ 45,341,349
Loans abroad	140,896,518	144,928,018	— 4,031,500	144,215,066	— 3,318,548
Prov. loans	16,635,182	13,816,048	+ 2,819,134	18,727,850	— 2,092,668
Mun. loans	113,830,618	119,358,195	— 5,527,577	112,987,304	+ 843,314
	1,466,893,375	1,456,616,927	+10,276,448	1,422,368,791	+ 44,524,584
Other Assets					
Non-curr. loans	9,017,395	8,995,959	+ 21,436	9,861,505	— 844,110
Real estate	7,867,564	7,900,536	— 32,972	8,335,581	— 468,017
Mortgages	4,129,466	4,132,771	— 3,305	4,387,920	— 258,454
Premises	72,271,057	72,138,479	+ 132,578	73,618,458	— 1,347,401
Letters of credit	52,957,727	55,814,282	— 2,856,555	57,749,144	— 4,791,417
Loans to comp.	11,363,750	11,432,861	— 69,103	11,292,882	+ 70,876
Other assets	2,152,074	2,139,616	+ 12,458	2,230,480	— 78,406
	159,759,041	162,554,504	— 2,795,463	167,475,970	— 7,716,929
Total	3,424,809,707	3,398,189,001	+26,620,706	3,220,792,782	+204,016,925
Note circ. dep.	5,054,952	5,100,042	— 45,090	5,462,755	— 407,803
Int. bank bal.	118,561,892	116,624,761	+ 1,937,131	108,101,059	+ 10,460,833
Gross	3,548,426,551	3,519,913,804	+28,512,747	3,334,356,596	+214,069,955
LIABILITIES					
To the Public					
Circulation	92,816,492	92,835,769	— 19,277	98,661,488	— 5,844,996
Dom. Govt.	60,295,652	64,928,562	— 4,632,910	51,995,451	+ 8,300,201
Prov. Govt.	56,215,581	63,279,809	— 7,064,228	44,028,550	+ 12,187,031
Deposits by Public					
Demand dep.	705,171,205	694,169,484	+11,001,721	687,159,311	+ 18,011,894
Savings dep.	1,701,886,610	1,697,240,089	+ 4,646,521	1,634,654,979	+ 67,231,631
Total	2,407,057,815	2,391,409,573	+15,648,242	2,321,814,290	+ 85,243,525
Foreign dep.	500,892,172	474,232,824	+26,659,348	400,442,302	+100,449,870
Due to Banks Abroad, Etc.					
United Kingdom	13,457,949	13,082,835	+ 375,114	10,167,292	+ 3,290,657
Foreign	46,000,916	45,351,573	+ 649,343	36,911,022	+ 9,089,894
Bills payable	375,822	300,977	+ 74,845	296,206	+ 79,616
Letters of credit	52,957,727	55,814,282	— 2,856,555	57,749,144	— 4,791,417
Other liabs.	4,136,494	3,528,861	+ 607,633	2,887,844	+ 1,248,650
Total pub. liabs.	3,234,206,620	3,204,765,065	+29,441,555	3,024,953,589	+209,253,031
Due bet. banks	15,778,857	19,861,066	— 4,082,209	12,370,669	+ 3,408,188
Liability to Shareholders					
Dividends	2,207,372	2,721,762	— 514,390	2,374,943	— 167,571
Reserve	133,750,000	133,750,000	......	133,750,000	......
Capital	145,500,000	145,500,000	......	145,500,000	......
Gross	3,531,442,849	3,506,597,893	+24,844,956	3,318,949,201	+212,493,648

§Other than Canadian.

Montreal Stock Trade Value Advances 175%

From Our Own Correspondent

MONTREAL.—Dollar volume of transactions on the Montreal Stock Exchange and the Montreal Curb Market in September jumped by 175% when compared with August and was the highest on record in two years.

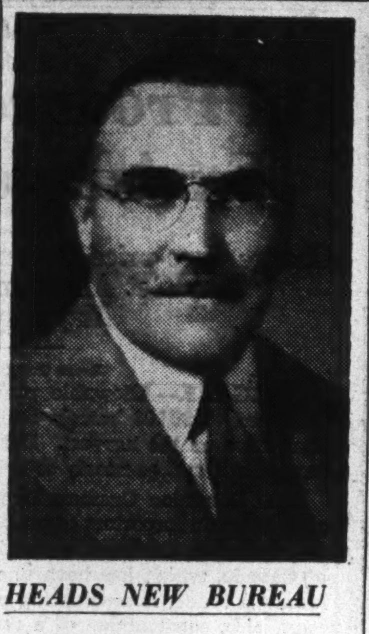
Stock transactions on the two exchanges during the month had a value of $36.2 millions, compared with $13.2 millions for August of this year and $28.8 millions for September last year.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

REID J. SMITH, to be acting manager, foreign relations department, during the absence of A. McD. McBAIN, with the Foreign Exchange Control Board, at Ottawa.

C. R. HANDRIGAN, to be accountant, St. John's, Newfoundland.



HEADS NEW BUREAU

R. H. Neilson, former manager of the Montreal and Ottawa-Hull better business bureaus, who has been appointed manager of the newly established Vancouver Better Business Bureau. Mr. Neilson assisted actively in the preliminary organization of the Vancouver bureau during the past year or so, though for the past two months he has been directing the Ottawa-Hull bureau. He resigned from the Montreal bureau early last year.

Born at Arnprior, Ont., Mr. Neilson at one time was on the staff of the Canadian Bank of Commerce, serving as manager of branches in eastern and western Canada.

Bank Chat

Currency Expansion?

Increases in the note circulation of the Bank of Canada which has increased by $43.2 millions from Sept. 1 to Oct. 4 has caused considerable discussion as to whether the Dominion has embarked on a programme of currency expansion or not. Graham F. Towers, governor of the Bank of Canada in an interview pointed out that at this stage it was rather difficult to say. An increase in circulation is a seasonal condition which usually occurs when the western crops are moving as well as at Christmas and other seasons when there is a demand for cash.

It may be moreover that this increase has been offset by a reduction in the circulation of the chartered banks during the same period. The latter institutions have been finding it cheaper recently to use Bank of Canada notes than to print and distribute their own and hence have tended to reduce their circulation more rapidly even than required by law.

What does seem to be of some significance, however, is the expansion of $58 millions on Bank of Canada investments during the five weeks to Oct. 4 and an increase of $70 millions in the central bank's assets during the same period. This increase in investments means more money put into circulation which may indicate a policy of currency expansion. Part of the increase in assets, however, is due to writing up the value of gold reserves as the Canadian dollar fell in value.

Bank Debits Up Slightly

Gain in Three Economic Areas Over Last Year

Increased movement of money as indicated by bank clearings at a number of clearing house centres in Canada indicates more active business. The number of cities where these gains have occurred has been showing a steady increase in recent weeks. Gains were more numerous in September than in August. The same trend, it is estimated, prevails in bank debits. Bank debits, it may be noted, are the amount of cheques charged to individual accounts at the chartered banks. Many of these may be within one branch bank itself, but they represent a movement of funds none the less. Bank clearings, on the other hand, represent the transactions between banks.

Bank debits in the first 8 months of 1939 have shown a gain of 2.5% over last year. In August, detailed figures for which have just been released, the total was $2,390 millions against $2,371 millions last year. The gain was 0.8%.

Increase of 2%, 32% and 4.5% over August, 1938, were shown by Quebec, the Prairies and British Columbia respectively. The Maritimes were down 2.1% and Ontario 9.4%.

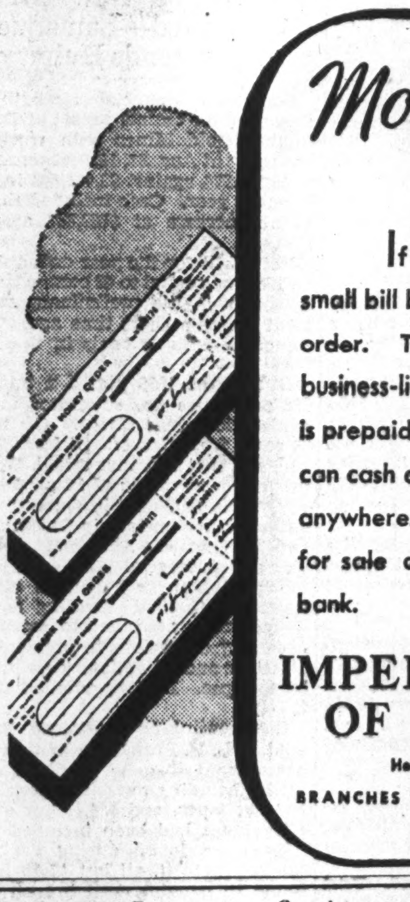
The expansion in the prairie provinces was due largely to the movement of the crop while, of course, in Alberta crude oil operations in Turner Valley have also been a factor.

Compared with July, total debits in August were 9.4% higher. Gains being shown in all economic areas except British Columbia.

Figures for August with comparisons follow:

Debits To Individual Accounts
$000,000

	Aug., 1939 $	July, 1939 $	Aug., 1938 $
Maritimes—			
Halifax	26.8	30.6	27.1
Moncton	9.2	9.6	9.1
Saint John	16.2	16.1	16.9
Total	52.2	56.4	53.2
Quebec—			
Montreal	685.3	702.7	706.1
Quebec	102.8	92.2	67.1
Sherbrooke	6.9	7.3	6.8
Total	795.1	802.3	780.0
Ontario—			
Brantford	8.1	8.8	8.4
Chatham	6.2	7.2	7.1
Fort William	6.3	5.5	6.8
Hamilton	53.5	53.9	50.7
Kingston	5.5	5.5	5.3
Kitchener	10.9	11.7	10.6
London	30.1	28.5	28.1
Ottawa	86.4	118.6	89.8
Peterborough	5.7	6.2	5.5
Sarnia	5.6	5.9	5.9
Sudbury	7.5	7.2	7.3
Toronto	714.8	706.2	817.6
Windsor	30.3	32.4	29.3
Total	971.2	997.9	1,072.5
Prairies—			
Brandon	2.7	2.7	2.7
Calgary	46.6	45.1	42.7
Edmonton	34.9	36.5	32.5
Lethbridge	4.6	4.3	4.5
Medicine Hat	2.0	2.1	1.9
Moose Jaw	5.7	5.4	4.9
Prince Albert	2.2	2.2	2.1
Regina	34.6	38.8	30.0
Saskatoon	9.1	8.5	9.5
Winnipeg	264.1	205.6	176.7
Total	406.6	351.4	307.7
British Columbia—			
New Westminster	6.6	6.6	6.7
Vancouver	132.0	125.6	125.7
Victoria	25.9	36.3	25.1
Total	164.6	168.5	157.5
Total for Canada	2,389.7	2,376.5	2,371.1

Money Orders

If you have to pay a small bill by mail send a money order. This is the approved business-like method. Exchange is prepaid. Your correspondent can cash a money order at par anywhere. Money orders are for sale at any branch of this bank.
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IMPERIAL BANK OF CANADA
Head Office: Toronto
BRANCHES THROUGHOUT CANADA

Weekly Statement Bank of Canada

Investments of the Bank of Canada in Dominion Government short term issues increased during the week ended Oct. 4 by $12.2 millions. This may have represented borrowing by the Dominion on short term treasury notes or purchases by the Bank of Canada from the chartered banks or on the open market. Holdings of long-term issues were also higher.

Note circulation was up again by over $14 millions and deposits by the Dominion Government were up about $13 millions almost the same figure as the total increase in investments.

Balance Sheet

	Oct. 4 1939 $	Sept. 27 1939 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	222,590,036	207,757,696
Rest fund	1,903,515	1,903,515
Depos.: Dominion	51,439,169	38,013,382
Banks	209,371,083	216,392,806
Other	12,818,434	10,890,848
Total deposits	273,628,685	265,297,036
All other liabs.	5,470,556	5,585,297
Total liabs.	508,592,792	485,543,544
Assets		
Reserve: Gold	225,674,969	225,674,969
Res. in sterling and U. S.	51,885,283	44,348,148
Other curr.	1,850	8
Total reserve	277,562,102	270,023,125
Subsidiary coin	218,394	252,712
Advances	1,000,000	1,000,000
Investments:		
Dom. govt. short	158,130,828	145,919,735
Other Dom. govt.	62,979,108	63,905,522
Total invest.	221,109,936	209,825,257
Premises	1,662,956	1,660,436
All other assets	7,039,404	2,782,013
	508,592,792	485,543,544
Reserve ratio	55.93%	57.08%

Banks Make Loan To City of Montreal

From Our Own Correspondent

MONTREAL.—The City of Montreal's bankers have agreed to advance $421,000 to the city to enable it to purchase snow removal equipment.

This is the first request by the city for a new loan that has been granted by the banks in several months. Some time ago the banks notified the city they would only make advances which could be repaid out of current revenue.

Montreal's snow removal methods have been a bone of contention, for some time. In more than one year the city has not had sufficient funds to carry its snow removal programe throughout the winter. One reason for this has been the high cost resulting from an antiquated system.

Weekly Bank Clearings

	Oct. 5 1939 $	Change year ago %	Sept. 28 1939 $
Saint John	2,141,034	+15.0	1,706,285
Moncton	905,129	— 3.6	729,656
Quebec	6,118,559	+31.2	4,510,102
Montreal	118,933,465	—18.9	86,646,472
Ottawa	28,573,111	+ 4.7	16,341,378
Kingston	863,271	+ 8.3	674,237
Peterborough	713,707	— 4.1	623,678
Toronto	120,167,936	—11.5	88,093,028
Hamilton	6,521,404	+ 8.4	5,372,318
Kitchener	1,423,659	+ 5.8	1,100,179
Brantford	1,224,750	+10.5	794,294
London	3,518,465	+ 4.5	2,236,864
Chatham	819,425	+ 8.9	609,584
Sarnia	513,150	— 7.0	414,826
Sudbury	1,219,356	+12.9	1,140,217
Windsor	2,704,400	— 3.6	2,450,941
Fort William	897,619	— 7.5	770,407
Winnipeg	100,318,535	+38.6	77,723,327
Brandon	609,146	+17.8	431,252
Regina	15,308,055	+75.1	10,241,848
Moose Jaw	1,040,062	+13.2	727,447
Saskatoon	2,486,624	+22.0	1,800,256
Edmonton	5,241,600	— 2.7	4,105,123
Calgary	10,691,303	— 7.7	7,534,054
Lethbridge	820,042	—18.0	713,844
Medicine Hat	542,746	+17.2	400,078
N. W'minster	834,248	+ 1.3	634,304
Vancouver	20,959,916	—11.2	17,075,630
Victoria	2,142,387	— 5.5	1,584,699

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TOOLE, PEET & CO. LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

NEW VANCOUVER FIRM

McMahon & Burns Ltd. has opened an office in the Royal Trust Building, Vancouver, to deal in government, municipal and corporation securities.

LOANS THAT MAKE FRIENDS

The Bank of Toronto has more resources—more friends today than ever before in its 83 years. It is the type of Bank with which established business men requiring loans, like to do business. We suggest you talk over your needs with us.

THE BANK OF TORONTO
Incorporated 1855
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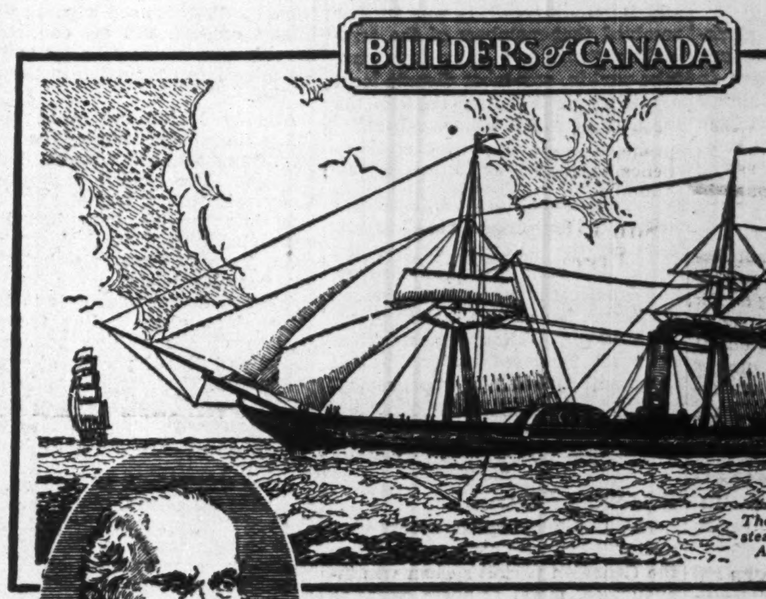
BUILDERS of CANADA

The R.M.S. Britannia, Canada's first steam packet, which made its first Atlantic crossing in July, 1840.

Sir Samuel Cunard

Born in Halifax in 1787, Sir Samuel Cunard was the founder of the Cunard Steamship Line and the pioneer of regular ocean steam navigation. His was the dream of "an ocean railway", as he termed it, with steam operated ships crossing with the regularity of railways on land.
This dream was realized exactly 100 years ago—in 1839—with the formation of the "British and North American Mail Steam Packet Company." The next year, R.M.S. "Britannia" arrived in Halifax, July 16th, 1840, completing her maiden voyage.

LEADERSHIP

IN an era of sails it took real courage and vision to inaugurate an "ocean railway". Today the hazard and experiment in new undertakings is greatly lessened by the up-to-date facilities of modern banks. In over one hundred years we have had experience with almost every conceivable type of business problem. We welcome opportunities to place this experience at your disposal.

Coast to Coast in Canada
NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC, NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND.

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING EXPERIENCE

Position of Chartered Banks of Canada as of August 31, 1939, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere. $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $
Montreal	21,074,347	24,705,254	17,069,886	....	194,958,657	455,854,212	118,816,531	4,130,416	3,527,505	11,223,608	127,934	7,646,299
Nova Scotia	8,091,909	5,202,819	2,358,165	....	45,849,943	155,863,464	51,051,209	2,009,117	393,928	1,624,105	20,852	6,411,668
Toronto	3,552,339	3,647,182	2,288,580	....	34,299,768	85,016,850	259,443	2,600,462	970,528	1,726,348	....	1,024,244
Provinciale	2,621,675	241,157	2,192,996	....	8,335,813	41,033,020	160,599	....	....	549,433	....	80,150
Commerce	15,882,359	7,099,773	11,162,125	....	148,119,511	332,296,474	66,017,014	1,152,382	2,927,594	9,800,206	9,982	15,964,476
Royal	26,480,510	12,241,854	10,299,924	....	170,758,536	342,104,780	252,902,560	275,521	1,299,348	15,522,196	196,263	17,335,753
Dominion	5,062,951	1,894,477	655,520	....	31,850,347	78,354,525	5,010,763	2,501,498	229,048	515,986	....	2,471,802
Nationale	4,583,404	1,628,617	655,962	....	26,886,788	105,421,866	1,644,812	1,396,010	69,622	656,343	20,791	842,188
Imperial	5,087,233	3,583,049	9,495,385	....	40,519,895	96,116,698	108,158	1,223,477	1,087,456	1,964,933	....	1,118,278
Barclays (Canada)	379,765	101,470	37,038	....	3,591,947	9,824,721	4,921,083	489,974	2,952,920	2,417,758	....	62,869
Total	92,816,492	60,295,652	56,215,581	....	705,171,205	1,701,886,610	500,892,172	15,778,857	13,457,949	46,000,916	375,822	52,957,727

NAME OF BANK	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorised $ (Supplementary Information)	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are Partners $	Average Notes and Deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	3,582,949	731,186	39,000,000	36,000,000	938,448,791	50,000,000	36,000,000	8	456,149	73,304,217	21,433,047
Nova Scotia	37,106	364,902	24,000,000	12,000,000	315,279,190	15,000,000	12,000,000	12	2,974,392	22,779,000	8,386,722
Toronto	....	150,167	9,000,000	6,000,000	150,535,915	10,000,000	6,000,000	10	607,284	14,593,578	3,741,289
Provinciale	3,500	63,558	1,000,000	4,000,000	60,281,905	5,000,000	4,000,000	6	228,182	6,455,150	2,737,760
Commerce	....	30,146	20,000,000	30,000,000	660,462,048	50,000,000	30,000,000	8	1,305,592	42,924,556	16,271,755
Royal	48,600	714,016	20,000,000	35,000,000	905,179,867	50,000,000	35,000,000	8	1,407,166	56,558,977	26,480,510
Dominion	376,357	4,612	7,000,000	7,000,000	142,927,892	10,000,000	7,000,000	10	103,336	12,768,761	5,136,001
Nationale	87,932	143,771	5,000,000	7,000,000	156,038,111	10,000,000	7,000,000	8	295,624	12,125,645	4,830,569
Imperial	....	5,014	8,000,000	7,000,000	175,259,581	10,000,000	7,000,000	10	538,722	13,238,032	5,188,143
Barclays (Canada)	....	....	750,000	1,500,000	27,029,549	1,500,000	1,500,000	....	6,632	1,592,529	408,000
Total	4,136,444	2,207,372	133,750,000	145,500,000	3,531,442,849	211,500,000	145,500,000	....	8,018,079	261,238,445	94,613,796

§Of this amount, $121,152,452 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada, prior to Aug., 1935.

*And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $
Montreal*	1,257,479	118,118	15,662,074	60,025,029	1,251,085	724,407	33,525,651	1	3,553,836	93,696,061	159,172,389	210,959,647	24,268,677	28,164,129
Nova Scotia	391,336	1,644,068	4,424,718	17,908,483	318,449	7,300,637	10,247,905	....	2,755,291	18,539,983	27,889,627	71,837,509	12,222,388	434,056
Toronto	249,755	....	2,735,136	15,330,354	188,760	79,954	7,781,067	....	360,021	4,648,351	5,801,062	52,821,139	6,070,142	....
Provinciale	253,225	....	1,593,390	4,932,083	204,885	49,849	2,044,782	4,249	2,208	857,618	6,055,413	5,983,639	13,768,394	....
Commerce†	943,048	384,012	10,703,136	27,355,270	679,822	1,156,045	18,606,139	43	3,664,708	32,447,448	97,798,198	120,790,134	9,002,132	30,786,086
Royal‡	1,345,490	3,660,704	10,961,374	49,733,542	1,179,705	20,969,676	23,989,773	2,100	5,811,298	79,311,892	97,388,158	168,573,424	10,141,389	28,793,175
Dominion	308,973	551	2,599,125	9,628,713	328,690	197,916	4,407,630	....	571,974	3,965,039	15,032,739	37,939,781	3,736,463	....
Nationale§	614,125	209	4,061,344	8,421,212	413,995	118,690	4,584,496	1,815,506	103,282	2,760,180	6,370,968	22,852,137	18,500,919	317,919
Imperial	424,354	....	4,831,556	6,636,507	375,435	115,590	7,662,141	623,646	665,086	2,883,098	22,985,359	44,255,855	6,290,704	....
Barclays (Can.)	2,398	....	73,957	1,338,156	5,665	7,270	878,459	2,388,214	2,402,207	4,369,053	4,850,082	7,859,755	4,131	....
Total	5,790,183	5,807,662	57,645,819	201,318,349	4,946,491	30,720,034	113,728,133	4,833,759	19,889,911	242,978,723	443,343,995	743,873,020	104,005,339	88,495,365

NAME OF BANK	Other bonds and stocks $	Call and short loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgage on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets. $
Montreal*	30,164,981	3,685,086	17,203,227	174,607,681	13,594,953	2,732,501	39,353,254	1,005,859	382,893	525,729	13,256,077	1,127,794	1,807,921	940,272,801
Nova Scotia	12,390,939	3,519,677	1,770,792	84,884,806	14,287,546	1,802,094	5,335,110	508,361	....	89,871	6,821,920	468,656	2,657,859	316,363,853
Toronto	4,433,387	1,714,457	....	40,639,932	....	....	5,103,602	245,829	....	25,440	3,433,996	201,927	....	152,897,562
Provinciale	2,057,200	3,740,296	....	13,506,795	....	160,097	2,491,344	79,651	566,559	340,867	2,077,532	149,637	128,345	60,628,027
Commerce†	29,131,955	11,662,425	9,598,369	166,999,308	21,555,900	7,389,433	20,698,873	2,980,470	2,553,582	1,369,568	14,754,651	907,000	4,377,985	664,266,233
Royal‡	39,560,012	11,266,581	10,834,774	188,881,907	91,044,324	1,534,437	21,140,030	2,718,128	2,361,065	778,710	14,795,845	1,380,000	3,892,162	909,381,441
Dominion	2,800,938	3,171,602	2,425,942	46,761,939	390,853	....	629,191	268,192	71,588	56,594	5,651,078	270,670	200,146	143,888,143
Nationale§	6,973,080	5,012,516	10,000	50,603,867	22,942	2,451,302	11,838,399	241,352	1,537,376	593,031	5,582,417	258,718	300,459	157,203,142
Imperial	59,361	4,803,236	....	57,673,537	....	565,318	7,240,815	354,853	194,301	354,656	5,847,541	271,794	140,835	176,483,766
Barclays (Can.)	....	530,940	....	1,791,962	....	....	....	8,702	....	....	450,000	18,756	....	27,042,583
Total	127,571,853	49,106,766	41,843,104	826,351,734	140,896,518	16,635,182	113,830,618	9,017,395	7,867,564	4,129,466	72,271,057	5,054,952	13,515,712	3,548,426,551

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale (France), same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

*Total assets include $52,957,727 letters of credit outstanding as shown in liabilities.

Week in Mining

Big Mine Operators Start New Tax Worry

No Base Metal Deal Yet Announced — Producers Warn That World Metal Situation is Heavy if Enemy Blockade Complete

Word has pretty well spread around the mining community that the terms of the excess profit tax, especially as they apply to the young producer and those mines which have been working in the red, are almost sure to be amended, perhaps before the Act actually goes into operation. Ottawa has told a lot of appellants that. Now, some of the big fellows of mining are beginning to worry. "I wonder if, in straightening out things for the little fellows, will they take another whack at us?" is the question being asked.

No word of settlement with the Ottawa and British governments about wartime purchase of base metals is yet forthcoming. While base metal producers profess their satisfaction with the effort of government officials to work out a scheme, it is becoming apparent that they do not want the idea to get abroad that base metal prices are likely to start an immediate climb when the arrangements are made.

War creates a very different situation in the base metal market. Germany has been a very large buyer in the world market in recent years. With the British blockade effective, these large supplies of base metals from producers other than Canada are going to overhang the general world market with the inevitable effect on price. Chile, for instance, is a large copper producer and at very low cost. If the British blockade of Germany is tight, there will be a heavy world metal situation which Canadian producers are keeping right in the front of their minds.

* * *

Siscoe Optimistic

Because of favorable ore developments during the year, a mining man very close to Siscoe company affairs tells us, all indications suggest that ore reserves this year end will be at least 100,000 tons higher than for 1938. Last year reserves were officially estimated at around 545,000 tons of $9.02 average ore.

The company has laid in a big supply of various operating essentials, such as track rail, grinding balls and drill steel. Hence it is well protected against higher material costs for the year at least.

We understand that Siscoe stockholders have been showing a staunch faithfulness to their investment in this mine, which has paid out almost $6 millions in dividends. Apart from the liquidation of a few estates, most Siscoe shareholders are just sitting tight, showing very slight change in holdings. A few shareholders have been adding to their Siscoe portfolio.

One result of war may be that Siscoe will slow down on its outside exploration. It has been taking a look at various outside properties, one of which is now under examination. It is indicated, however, that unless the company gets something unusually attractive, it will conserve its resources for the present.

* * *

C. I. O. Threatens

The C.I.O., which has had a difficult time in its attempted invasion of the British Columbia mining field, has threatened to call a strike at the Pioneer Gold Mines in Bridge River.

The company refuses to negotiate with representatives of the union, claiming that under the provincial industrial conciliation and arbitration act bargaining agencies must be representative of the entire force on the payroll rather than of an organized minority.

The union disagrees with this interpretation of the legislation and has asked Hon. George S. Pearson, Minister of Labor, to decide the point.

C.I.O.'s last effort to tie up B.C. mining industry resulted in victory for Cariboo Gold Quartz and Island Mountain mines. Both companies closed down operations entirely for more than a month until representatives of the miners appealed to them to reopen on the old terms.

* * *

The Employees Co-operative Society at the Cariboo Gold Quartz mine has passed a resolution, according to The Wells Chronicle, pledging the society to "oppose any outside influence which may tend to disrupt the cordial relations now existing between (the company) and its employees." It was further resolved that members of the association "will not enter into, nor take part in, any labor dispute local or otherwise that may arise in the industry of which we are a part."

* * *

Smelters

Present conditions indicate improvement for Consolidated Smelters. On the outbreak of war the world lead cartel quietly folded up, and Smelters immediately increased its production of this metal. Prices for antimony, bismuth and cadmium have all increased materially and there will probably be improvement in other base metal prices when the Government concludes its arrangements with base metal producers.

* * *

Watching Neutrals

The United Kingdom seems very well supplied with base metals. When the Canadian permit system was inaugurated, metal shippers expected that no permits would be granted for shipments anywhere but to Britain. In recent weeks, however, several permits have been granted for shipments to neutral European countries. Permits give a complete check on such exports and figures of normal consumption within those neutral countries are of course available. Hence any neutral which starts acting as pipe line to Germany and which hoists its base metal imports can be immediately detected.

* * *

Well Satisfied

Base metal producers seem well satisfied with the permit system of marketing established by the Canadian Government shortly after declaration of war. A permit is required from Ottawa covering every single base metal shipment. For the first couple of days shipments were tied up all over the country, but a couple of base metal men tell us officials stayed up nights getting the system operating smoothly and that the permit business gives no trouble at all now.

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TORONTO CANADA

U.S. Dollars For Faymar

Detroit Interests Underwrite $300,000 Bond Issue

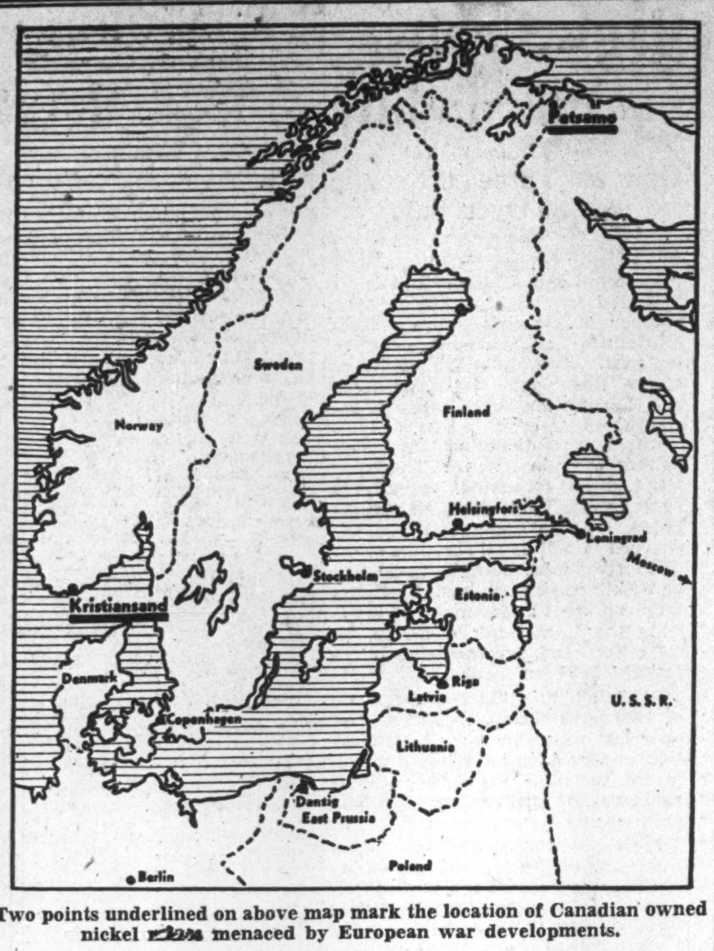
Construction of a 200-250-ton mill at the property of Faymar Porcupine Gold Mines will be financed by Detroit interests who have firmly underwritten $300,000 of a $500,000 authorized bond issue. Under terms of the underwriting, 333-1/3 shares and $1,000 par value of bonds will be issued for each $1,000 cash received.

The agreement provides the first known instance of large scale investment of foreign funds in Canada since regulation of foreign exchange by the Foreign Exchange Control Board took place. It gives concrete evidence that American funds will remain available for development of Canadian gold mines.

Sampling Runs $8 to $15

The main Faymar vein has been developed on three levels at 225, 350 and 600 ft. depth. On the 225-ft. level the vein has been opened for a length of 968 ft., on the 350-ft. level for 1,068 ft. and for 343 ft. on the 600-ft. level. Average grade of the material is between 4 and 5 ft. East end of the ore is open on all three levels.

Grade of ore is stated to be commercial but difficulty has been experienced in placing an average value. Sampling has given average results between $8 and $15. In some places in the vein structure the vein is said to be exceptionally rich.



Two points underlined on above map mark the location of Canadian owned nickel plants menaced by European war developments.

Russian Threat To Finland Imperils Our Nickel Firms

With the Soviet putting the squeeze on the Baltic states and now apparently manoeuvring to repeat the performance on Finland, Canadian mining is getting much too closely involved for comfort.

Already one small shipment of nickel matte, bound for Norway, has been sunk by a German U-boat.

The accompanying map shows the International Nickel's new mine in Finland and the refinery and smelter of Falconbridge Nickel in Norway.

The International Nickel property in Finland is quite close to the Soviet frontier. Russia lacks nickel and the Inco mine is a big one. Nickel authorities are keeping their fingers crossed, and are continuing development which calls for getting the mine into production in the fall of 1940.

Already Nickel has spent about $7.3 millions in developing the property. Name of the mine is Kaulatunturi and it is located at Petsamo. Early this year a tunnel 8,580 feet long into the ore body had been completed plus a vertical 680 foot shaft. Many of the service buildings are completed and work on the smelter is under way. It is to be a large plant, plans calling for production of one million pounds of nickel and 500,000 pounds of copper per month. The smelter would produce Bessemer matte. The company also has constructed a giant hydro-electric power development to run the plant.

Early this year I. M. Simcox, assistant to the general manager at the Copper Cliff property, went to Finland to take complete charge of the operation, accompanied by W. B. Ibbotson and Norman Kearns, construction engineers.

International Nickel feels there is nothing much can be done about the predicament. In the last war some foreign-owned plants manufacturing vital war materials were virtually taken over by the German Government and forced to continue production at top speed for the enemy and virtually at cost.

With the Soviet policy of state-owned industry, and its violent convictions about raw materials, especially minerals, belonging to the State, International Nickel probably considers it will be lucky if it comes off with nothing worse than Government management.

Falconbridge Nickel's big refinery at Kristiansand, Norway, is still apparently several jumps away from the lion's (or Bear's) maw, but is rather vulnerable to air or battleship bombing from the Skagerrak.

Company officials, however, think that if it were going to be bombed it would have been done already. German U-boats and airplanes have been quite active in the area and a couple of ships have been sunk within sight of the plant.

The nickel-copper ore is mined and smelted at the company's property near Sudbury, Ontario, then shipped for refining to the Norway plant, capable of handling about 8,000 tons of refined nickel annually. Some of this refined product has been coming back to Canada in the form of blanks for minting Canadian five-cent pieces.

All Falconbridge output is under control of British and Norwegian authorities. Norway takes part of the output for domestic uses; Britain, the remainder. A convoy is provided for nickel shipments from Norway to the United Kingdom.

The Norwegian plant was purchased in 1929 and has been completely reconditioned and much enlarged since then, Most of the ore travels in British and Scandinavian ships. Freight and insurance rates are sharply higher, of course.

Mining Concentrates

Agawa Porcupine Mines optioned 850,000 shares to W. S. Pratt and A. C. McLean on Sept. 28, as follows: 200,000 shares at 10 cents; 100,000 shares at 11 cents; 100,000 shares at 12 cents, with balance at 15 to 32½ cents. Payments to be made $2,500 monthly until $60,000 paid and thereafter $6,854 monthly. Authorized capital is 3 million shares with 1,744,724 shares issued.

* * *

Amm Gold Mines showed an increase in production in September as follows:

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September ...	4,618	154	5.77	*26,651
August	4,770	154	5.13	24,452

*Gold at $35 an ounce.

* * *

Consolidated Mining and Smelting Co. is making a survey of the old Rossland mine workings which have already produced over $80 millions. The result, if favorable, will be reopening of the property. Surface work and diamond drilling on the Pershing twp. property are understood to be meeting with encouraging results. Additional money will be allotted to development.

* * *

Golconda Mines has opened its "discovery" vein for 115 ft. by blasting six feet into the vein material. Channel assays taken along the entire length of the open cut at 5-ft. intervals include the following values: $83.50, $111.60, $23.80, $52.50, $22.75, $24.15, $35 and $43.75 per ton. At the north end of the open cut samples from a 50-ft. section average $38.89 per ton. Samples are said to be consistent with indications of increasing values at depth. A new view has also been traced on company's No. 9 property in Beauchastel twp., with a length of 200 ft. and width of 15 ft. Channel samples returned $12.95 and $23.10 per ton across 3 ft.

* * *

God's Lake Gold Mines is stated to have opened its new ore shoot on the 6th level for 137 ft. averaging $12.25 across 4 ft. A total length of 368 ft., in two shoots, has now been opened up west of the Powder House fault at this level.

* * *

Rahn Lake Mines Corp. sold 50,000 shares at 12½ cents a share to Andrew Lucas on Sept. 30, payable by Nov. 1, 1939, and granted on option on 650,000 shares as follows: 150,000 shares at 12½ cents payable by Feb. 1, 1940; 200,000 shares at 15 cents per share payable by June 1, 1940, with balance of 300,000 shares at 17½ to 25 cents per share payable by Dec. 1, 1940. Authorized capital is 3 million shares with 1,700,000 issued.

Magino Gold Mines sold 100,000 shares to W. E. May at 10 cents a share on Sept. 30, 1939, with an option on a further 1.4 million shares as follows: 400,000 shares at 10 cents a share payable within 120 days; 270,000 shares for $40,000 payable within 180 days; 730,000 shares for $285,000 payable within 540 days. Authorized capital is 3 million shares with 1,447,966 issued.

* * *

Naybob Gold Mines has granted a 14 days' extension on Oct. 1 option installment on 150,000 shares at 15 cents a share.

* * *

Perseverance Mining & Development Co. optioned 25,000 shares to Mark Emery on Sept. 15, as follows: 15,000 shares at $2 a share; 10,000 shares at $3 a share, payable by Jan. 2, 1941. Authorized capital is 100,000 shares with 3,509 shares issued.

* * *

Sand River Gold Mines showed increased production in September partly due to the increased price of gold:

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
September ...	2,637	88	13.85	*36,518
August	2,901	94	10.89	31,619

*Gold at $38 an ounce.

* * *

Slave Lake Gold Mines has resampled all its levels and 220 samples taken are now being assayed. First results are decidedly encouraging, according to officials. Whereas most tungsten deposits tend to be erratic, the Slave Lake deposit is said fairly consistent throughout. Bulk samples which have been checked were taken over full drift width, giving about 40% dilution, it is stated. A smaller amount would occur in actual mining. Forty samples already checked have returned an average of approximately one per cent tungsten which is of commercial grade, being worth $24 to $26 per ton at present quotations. Three samples taken on the 425-ft. level returned an average of 1.59% tungsten, bearing out the theory that while gold values diminish with depth, tungsten values may improve.

* * *

Toburn Gold Mines has declared a dividend of 2 cents a share plus extra of 2 cents a share, both payable Nov. 22, 1939, to shareholders Oct. 21. Three similar distributions have been made this year.

* * *

Upper Canada Mines has started milling and shipments of ore to the Morris Kirkland mill have been suspended. Primary crushing capacity of the Upper Canada mill is 750 tons daily. It is anticipated the mill can be stepped up from 150 to 200 tons daily at little or no extra expense. In handling 175 to 200 tons, a grade of $12 per ton can be treated with a total cost including write-offs of $7 a ton, the management estimates. The company's shares were listed on the Toronto Stock Exchange Oct. 6. Balance sheet as at Aug. 31, in the listing statement, showed current assets of $276,237, including $246,323 in cash and bullion. Current liabilities of $71,147 left $205,090 working capital. Other liabilities comprised $54,726 payable on the mill and notes payable of $152,121 including accrued interest.

Week in Oils

Oil Producers Await Exchange Board Rule

Charge Two-price System on Crude in Montana — May Get Anti-dumping Ban — Texaco May Buy in Canada

From Our Own Correspondent

CALGARY.—Allowable production of Turner Valley has been increased to 26,000 barrels daily, as western farming goes into the final drive on the harvest. Indications now are that winter oil production will not go nearly so low as the 10,000 barrels daily last year.

The Dominion Customs Department should soon decide whether or not certain importers of crude oil from Montana are infringing the anti-dumping regulations. Indications are that the Texas Company of Canada, which has been one of the largest western importers of Montana crude, is considering purchase of Turner Valley crude, perhaps, also, construction of a refinery.

"Two Price System"

T. A. Russell, customs appraiser in evidence before the McGillivray Royal Commission on oil, stated that evidence submitted regarding imports of Montana oil indicated dumping. At the same time, he did not know whether dumping duties could be applied in all cases brought to the Commission's attention. A submission of the British American Oil Co. stated that there was a two-price system at several Montana refineries, one for home jobbers, a lower price for sales for export to Alberta.

* * *

If the Dominion does not act to halt dumping, the Alberta Petroleum Association plans to demand imposition of a regional tariff of three cents per gallon which would apply against petroleum product imports crossing the border between Winnipeg and Vancouver.

* * *

To Buy Canadian?

The Texas Co. of Canada seems ready to switch to Turner Valley crude. This company will import from Montana some 10 million gallons this year. In evidence before the Commission, it was made known that Texas pays better than 2 cents a gallon more for its Montana crude than it would have to pay for the Turner Valley crude.

"It is a startling proposition," said one member of the Commission, "that a company prefers to take a loss when given the opportunity to make a profit." The Commission counsel pointed out: "The Canadian subsidiary of the Texas Corporation can afford to take a loss as it provides an outlet for its American associated company's crude in Alberta and Saskatchewan."

The importing of crude by Texas has brought the company under fire many times. A spokesman for the company admitted that at least two refineries in Alberta were now in position to manufacture gasoline to Texaco specifications. It is understood that Texas is likely to make a deal with one of these companies, and that it may eventually build its own refinery in Turner Valley.

* * *

"Conserve Exchange"

While the appeal to the Dominion Government for an adjustment on freight rates on crude oil from Turner Valley to the head of the Great Lakes has been adjourned sine die because of the war emergency, the fight for wider markets is not yet over.

The Alberta Petroleum Association now has its plea before the Foreign Exchange Control Board. They have told the Board that Alberta has a surplus of crude and could supply Ontario, for instance, with at least 20,000 barrels of oil per day, reducing Canada's imports of crude and cutting down the amount of Canadian funds that must be paid abroad for this crude by about $1,320,000 monthly. Since conservation of all possible Canadian funds is the main purpose of the Exchange Board, and since their powers are sufficiently sweeping to make marketing in Ontario possible, it is thought that some action may be expected from this source.

* * *

More Wells Planned

Argus Royalties and Royal Canadian 3, two wells drilling, which because of location are being watched with the keenest interest by oil operators are showing high promise, with excellent porosity and saturation. Other new wells which are likely to tell their stories shortly are Anglo Canadian 8, which is well into the lime, and Royalite 43.

Two new drilling locations have just been selected, Alliance 1, between Sunray and Arrow on the central flank, under control of F. P. Byrne and associates, and Commoil 3, to be drilled just west of Command 1.

Terminal Oils 2 on the Del Bonita structure has had gun perforating and acidization. This well seems to have more oil than Terminal 1, but gas pressure is said insufficient to make the well flow. A pump has been ordered.

Teck-Hughes Cash Higher

Search For New Mines Continued—Lamaque Dividends Help

Continued financial strength is shown by the annual report of Teck-Hughes Gold Mines with working capital as at Aug. 31, 1939, amounting to $3,251,974 against $3,461,596 in the previous year. Cash included showed an increase at $769,837 against $680,987.

Net profit for the year ended Aug. 31, 1939, was equal to 42 cents a share, as shown in the preliminary statement issued a short time ago. This compares with 33 cents in the 1938 fiscal year.

During the 1939 period a total of 102 properties was submitted to the exploration department. Of these 68 came from Ontario, 27 from Quebec, and seven farther afield. Examinations were made of 16 properties in Ontario and nine in Quebec with options taken on four in Ontario and two in Quebec. Diamond drilling was also proceeded with on a large block of favorably located claims staked in Quebec. Drilling on optioned properties failed to encounter necessary extensions to previous indications and all options were allowed to lapse. Drilling totalled 29,362 ft.

Commenting on operations, President D. L. H. Forbes stated that cost per ounce of gold produced was $21.86 including outside exploration but not taxes, and $24.41 per ounce after taxes had been included also.

New ore found during the year totalled 1,110 ft. all but 17 ft. being found in hanging wall branch vein ore bodies.

Income and Surplus Account
Years Ended Aug. 31

	1939 $	1938 $
Bullion production ...	3,401,059	3,930,535
Lamaque dividends ..	957,800	......
Inc. from invests.	21,401	72,523
Gross earnings	4,380,260	4,003,058
Less: Dev. & min. ...	1,434,628	1,448,078
Milling	355,720	396,047
Gen. exp.	255,847	271,482
Taxes	245,509	268,112
Examinations	65,164	14,444
Net profit	2,023,392	1,604,895
Less: Dividends	2,067,072	2,163,215
Deficit for year	43,680	558,320
Less: Prev. surplus ..	3,864,055	3,932,533
Profit on secs.	......	19,842
Profit, Lamaque bds.	......	450,000
Surplus forward	3,820,375	3,844,055
Earns. per Sh. and Divd. Record:		
Earned	$0.42	$0.33
Paid	$0.40+0.05	$0.40+0.05

Working Capital
As at Aug. 31

	1939 $	1938 $
Current assets	4,302,432	4,613,173
Current liabilities	1,050,458	1,151,577
Working capital	3,251,974	3,461,596

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Donwood Larder Mines sold 5,000 shares to J. M. Rooney on Sept. 6 and granted an option on 1,595,000 shares as follows: 450,000 shares at 5 cents a share; blocks of 100,000 shares at 6, 7, 8, 9, 11, and 15 cents a share with balance at 20 to 60 cents a share payable $750 monthly for three months; $1,000 monthly for five months and balance at $2,000 monthly. Authorized capital is 3 million shares with 1,200,005 issued.

To the Shareholders of
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Canada's War Metals—Zinc

British Empire Now Produces 10% Above Own Requirements

The Financial Post reviews zinc in the fourth of a series on munitions metals. Attention is paid particularly to the change in situation from the last war.

Why is zinc so important a metal in wartime?

Zinc is essential for making brass widely used in the manufacture of shell casings. Announcement that Great Britain is already turning out six times as many shells as at the peak last war shows need for zinc is undiminished.

Zinc is also extensively used in manufacture of die castings. These castings are big business in manufacturing munitions. Many important anti-friction metals also contain zinc. Anti-friction metals are used as linings for bearings of high-speed engines. Copper, tin, lead, antimony, aluminum and nickel are all alloyed with zinc for various uses. Storage batteries require zinc and zinc oxide is a valuable filler in the rubber industry.

Zinc is widely used in galvanizing. Old soldiers will remember the galvanized sheet-iron Nissen huts of the last war.

* * *

What was the zinc situation in the last war?

"The outbreak of war cut off from the allies the greater part of their normally available supplies of zinc," states a British Government report of the time describing the situation. "There was no shortage of zinc ore, but nearly all the smelting plants in Europe were situated either in Germany or in territory overrun by German troops (Belgium and northern France)."

The United States was producing only its domestic needs, but the Allies turned to it for much needed supplies. Zinc consequently jumped from 4½ to 27 cents a pound in a single year. Efforts were made to remedy the Allies' productive position. New smelting works were either erected or projected in Australia, India and Canada as well as in many non-combatant countries.

* * *

Is the British Empire zinc output now sufficient for all needs?

In 1938 smelters within the British Empire were able to produce all the Empire's needs with a surplus of 10% for export. War will likely increase demand but production can likely be increased also. The British Empire now has the smelter capacity so sadly lacking at the start of the last war.

* * *

How is British Empire self-sufficiency in zinc likely to be of benefit?

Self-sufficiency can prevent zinc supplies being cut off by some neutral country. In the last war neutral countries were anxious to take advantage of high metal prices offered by belligerents. Now there is a desire for more strict neutrality. This might conceivably involve refusal to sell zinc to warring countries.

Foreign exchange is saved if zinc can be produced from sources within the Empire. If war should be long, an actual shortage of foreign exchange for purchase of supplies might arise. In this case production of zinc requirements would be all-important.

* * *

What facilities have we in Canada for fabrication of our own zinc output?

In the last war Canada had no plant for producing refined zinc. Now the Trail smelter of Consolidated Mining and Smelting Co., one of the largest metallurgical plants in the world, is in operation. Hudson Bay Mining and Smelting Co. is also producing refined zinc.

All facilities for fabricating zinc are available in Canada. Canadian zinc is probably already being used in manufacture of shells. If Canada is to become the arsenal of the Empire, a larger proportion of zinc produced should be fabricated in this country than ever before.

* * *

Can production of zinc in Canada be increased if the need arises?

Yes. Several methods are open. Consolidated Mining & Smelting Co. could treat ore with a higher zinc content if necessary. Hudson Bay Mining and Smelting, which has been pioneering in the making of a very pure zinc, hence opening a vast new field in zinc die-casting, could step up output considerably. Waite Amulet Mines will have a much larger zinc output with its new 1,000-ton mill. The Notre Dame des Anges mine in Quebec has an important zinc content as well as lead. It could be reopened on short notice. Work is to be resumed at the Quebec Manitou property. Sherritt Gordon Mines in Manitoba has a large zinc content in its ores but no equipment is installed to recover zinc values. Little capital expense would be involved in putting in zinc recovery equipment.

In the Slocan section of British Columbia are a number of lower grade lead-zinc properties which could be reopened. Zinc production is largely a by-product of lead production and any step-up in lead output should result in higher zinc production.

* * *

Will the precipitate price rise of zinc at the last war's outset be repeated?

Experts say no. Britain and France took steps to secure adequate zinc supplies before the war broke out. The British Ministry of Supply has now fixed a zinc price of approximately 3.4 cents a pound, Canadian funds, with buyer paying freight and insurance. Contracts are planned with leading Empire zinc producers to provide a steady flow of zinc at a fixed price.

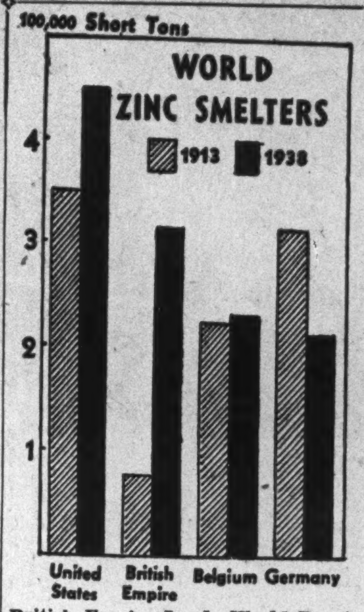
In the United States, zinc has risen to 6½ cents a pound but this represents domestic demand. Exports of zinc from the States are small.

* * *

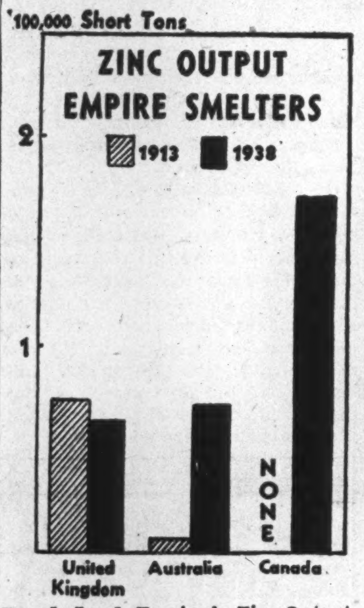
How does Germany's zinc position compare with that of the last war?

Prior to the last war Germany was a net zinc exporter but last year production was only 80% of home requirements. Poland had considerable zinc productive capacity, but metallurgical works may have been partially destroyed before German occupation. Germany may have to import much zinc if war raises use of zinc.

In the "totalitarian war," metallurgical plants will probably be an objective of air raids. Germany would face possibility of having zinc productive equipment impaired. Britain's zinc comes chiefly from Canada, however, and these are beyond the range of bombing planes.



British Empire Leads World Boosting Zinc Output.



Canada Leads Empire in Zinc Output

B.C. Seeking War Metals

Department of Mines Aids Hunt for Molybdenum, Tungsten, Manganese

From Our Own Correspondent

VANCOUVER.—Search for war minerals, such as molybdenum, tungsten, manganese and mercury, is being encouraged by the provincial department of mines in British Columbia and has already yielded results.

Prospectors operating in the country back of Finlay Forks in the Prince George country report discovering a large body of molybdenum ore. Representatives of Consolidated Mining & Smelting Co. are now investigating the property. Samples are said to have been high grade.

Hon. W. J. Asseltine, minister of mines, has instructed the department's district engineers to concentrate on location of war metals, and the department has issued a circular describing the appearance of these metals so that prospectors unfamiliar with them may be able to make an intelligent search.

Said Higher Grade

Molybdenum found in British Columbia is rated higher grade than in other provinces, although development so far has been on a small scale. Complex nature of the deposits made concentration difficult during the last war, but since then the metallurgical advance has largely eliminated this obstacle. The Molly mine of the International Molybdenum Co. at Lost Lake, Nelson district, is probably the largest known property in the province. Molybdenum Mining & Development Co. has also done some work at Alice Arm in the Skeena mining division.

Fluorspar Important

Fluorspar has come into greater demand as a result of the war, and the Rock Candy mine owned by Consolidated Mining & Smelting Co. is the most important producer in the province. Birch Island, near Kamloops, is also known for its fluorspar deposits.

Tungsten has been mined in the Cariboo and Bridge River districts, and two years ago the Columbia Tungsten Co. installed a small mill at Wells.

British Columbia is one of the few provinces which has developed mercury deposits. About 40 years ago some mercury was mined near Kamloops, but not until last year was production resumed—this time at the cinnabar holdings of the Manitou property, owned by Empire Mercury Mines, Bridge River.

Consolidated Mining & Smelting Co. owns claims which may produce magnesium in a small way.

New Producers Probable

Lead, zinc and copper, and especially the latter two, are expected to be British Columbia's chief contribution of metals during the war. Lead and zinc are produced almost exclusively by Consolidated, although several small properties in the Kaslo and Pend Oreille country might be large producers under favorable market conditions. Most of the copper is mined by Granby Consolidated at Copper Mountain, Allenby, and Britannia Mining & Smelting Co. on Howe Sound.

Nickel ore has been developed at Choate by Pacific Nickel Company which last year contemplated construction of a 500-ton concentrator until the war in the Orient blocked the contract negotiated with Japanese interests.

MENU MEALS FOR MINERS

No ravenous stampede for the cookhouse of a Crawley & McCracken-managed camp! The menu service system (the same as in hotels and high class restaurants) lets each man order his choice, which is served to him individually from the kitchen. No rush, no crush, no fuss.

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Mining Enquiries

Noranda Mines

I have been considering purchase of shares of Noranda Mines as a hedge against inflation. What are your reactions to this idea?

Ordinarily shares of Noranda Mines would be considered an excellent hedge against inflation at this time in view of the heightened demand for copper during wartime. But there are two reasons which may make Noranda less attractive than was first anticipated. The first is the excess profits tax imposed in Canada which will take half of Noranda's profits over and above average profits for the last four years. The second is a price of approximately 10 cents per lb. set for copper. If this price is maintained by the British Ministry of Supply, it is conceivable Noranda profits might even drop slightly if costs should rise as expected. All the large base metal producers in Canada are expected to complete contracts with the British Government to supply them with metal at a fixed price and this should have the effect of limiting profits. Actual terms of any agreements may provide a clause allowing a higher price for copper if costs should rise, however, and this would seem only fair to the companies concerned.

War and Gold Mines

Please give me some of the possible effects of the present war on gold mines?

Canadian gold mines are now receiving approximately \$38.50 an ounce for gold against \$35 an ounce before outbreak of war. This is caused by decline of the Canadian dollar to 10% discount from the American dollar. Gold mines are still receiving payment on the basis of \$35 an ounce in American funds or \$38.50 Canadian funds for all their gold production.

Since costs have not yet risen appreciably, the first effect of war on gold mines has been a favorable one. In some places this has caused a change of opinion. People who formerly urged sale of gold stocks in wartime are now considering their possibilities as a hedge against inflation.

Experience in the last war showed that gold mines did not really begin to experience increased costs for perhaps 18 months after the outbreak of the conflict. This experience may be duplicated in the present struggle particularly as many of the gold mines have contracted ahead for their requirements of supplies for the next year. Increase in labor costs is possible, however, as labor is hired on a week to week basis. Many people anticipate that any rise in costs will be more than offset by additional premiums to be realized on gold but this will not necessarily be the case. Canadian holdings of foreign securities may be mobilized for sale abroad in order to support the Canadian dollar and this would prevent the premium on gold from mounting higher. Of course, any extra profits realized by the gold mines will be subject to the new excess profits tax which should take 50% of any extra profits.

Calgary & Edmonton Corp.

What are the possibilities of Calgary and Edmonton Corp.?

While Calgary and Edmonton Corporation has not had an impressive record of earnings the past few years, with profits for year ended June 30, 1939, only 9 cents a share, it is generally considered the company may have better future possibilities.

Altogether the company has mineral, petroleum and natural gas rights on approximately 1,155,000 acres of land checkerboarded over two areas, one being south and the other north of the city of Calgary, including the Turner Valley, Waite Valley, Highwood, Pincher Creek, Cardston, Willow Creek, Drywood, Kootenay River and Taber areas. Much of this land is yet untested and if Alberta proves to have the crude oil possibilities suggested by many people, Calgary and Edmonton should have a good chance of participating in any new finds.

Unlike Canada's base-metal producers, the oil companies have not been forced to accept a fixed price for their product and it appears reasonable to presume that the price of Turner Valley crude oil may go even higher than at present.

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The Group Life Policy was put into effect December 1st, 1927
It now covers 997 lives
The coverage amounts to \$1,565,765
Claims paid up to December, 1938, amounted to \$104,049

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National Clearing House

Ottawa's Voluntary Service Bureau Sorts Out Offers of War Services

If you have any special knowledge or training you would like to offer to your country "for the duration" there is no chance of your proposal gathering dust in a government office in this war.

In the last war, thousands of Canadians wrote to Ottawa offering their services. Because Cabinet Ministers and officials were busy with other things, score upon score of letters were never even anwered, let alone made use of.

Some of these letters did not even come to light until there was a change of government some three years after war was declared. They had been gathering dust meanwhile because nobody thought up the smart idea of a clearing house where the good wheat of skilled, competent service might be winnowed from the chaff of mere job-seeking and petty profiteering.

Special Bureau

But this time it's different.

In a downstairs front room (No. 271) of the Parliament Buildings at Ottawa is the temporary headquarters of Canada's Voluntary Service Registration Bureau.

The responsible Minister is Hon. Norman McLarty, newly named Minister of Labor. The Bureau is actively directed by Dr. E. H. Coleman Under-secretary of State. To assist him in looking after this wartime clearing house are two men who did excellent work with Dr. Coleman in organizing and carrying through the Royal Tour. One of these is a member of Dr. Coleman's secretariat, J. F. Delaute The other is Major George Ross of the postal department who was postmaster on the Royal Train.

No Employment Agency

There have been a lot of misconceptions as to the scope and limitations of Canada's V.S.R.B. If you ask Dr. Coleman he will be quick to point out that his Bureau is no sense an employment agency; that it has nothing to do with military matters.

Already over 5,000 letter offers have been cleared through the bureau. Few, if any, of the writers have been given jobs; not more than one in four is likely to find the bureau (as now organized) of much assistance in obtaining one.

Mostly Reactive

The reason is that two or three out of every four persons whose letters find their way to the bureau are people who are offering to their country—at the going rates—the everyday run of manual, clerical and technical services.

Mostly they are stenographers, telegraphers, clerks, typists, trades people. These people represent a perfect cross-section of Canadian life. They are men and women, many of whom served in the last war, in some capacity and who, by reason of age, are now unemployed. They feel there might be a place for them in the second Great War and they have been quick to offer their services. Many others are people now wholly unemployed who see visions of a government wartime job as a solution to their problem.

For these and for scores of others "types" who have written to the Prime Minister, to members of Parliament, or departments of government offering their services, the Service Registration Bureau holds out no present hope for a job. That does not mean they will not find work. Admittedly Canada will be tremendously busier as wartime production gets under way. The bulk, if not all of those anxious to work, will very probably find a job sooner or later. But if, as, and when they do, the chances are that they will find it on their own behalf rather than through the good offices of the V. S. R. B.

Provides Clearing House

All the bureau now hopes to do is to provide a general clearing house where all letters of personal service can be filed, classified, indexed and made available for the use of government departments, private industry or wartime organizations. The Government sends to each person a courteous individual note of thanks and acknowledgment. It makes no promises as to future employment but merely expresses appreciation of the individual interest shown by the applicant in respect of wartime effort.

The primary function of the bureau is to have available the names and qualifications of those people in Canada who have specialized technical or professional services to offer on a full-time basis for the duration of war. Obviously, there is no dearth, as a rule, of clerks, stenographers, typists, telegraphers and the like. But a firm or a branch of government may be very hard pressed to find quickly and easily an expert chemist, a certain type of architect or accountant. In so far as people of this type—especially those who may not be actively engaged in their particular occupation at the present time—make known their availability and qualifications then Ottawa feels it can do a useful job in acting as a national clearing house in the event that someone somewhere in the country may quickly need this especial form of knowledge or experience.

Locate Experts

For example, almost as soon as the bureau was set up, it received an offer of service from an outstanding Canadian with exceptional qualifications who had more or less been in retirement in recent years. He is the sort of man whose name would have come quickly to your lips as an expert in his special line a few years ago.

Almost within a few hours a request came from a government department for a man with almost identical qualifications. The two were brought together and Canada's war efforts will be greatly stimulated as a result.

The bureau, as now organized, is a clearing house for individual rather than corporate enquiry. But it is definitely available for industries who need assistance in rounding out their personnel.

Thus, it is a waste of time for an industrialist who feels he can manufacture munitions or war supplies to write to the bureau. His letter will merely be turned over to the War Supply Board. On the other hand, industries manufacturing war or other supplies may make free use of the facilities of the bureau. They will find Ottawa an especially available source of information concerning offers of service from those who have something unusual to offer or who can handle some key or vital task in respect of wartime effort.

Amid the hard work of sorting some 200 letters a day and interviewing 50 or 60 applicants, the bureau is getting occasional shreds of enjoyment. One man, for example, offered his service for the specific job of killing Herr Hitler. Another, quite seriously, offered the use of a very fine piece of property which he owned in order to raise pigs. About 100 persons have offered their services on a dollar-a-year basis.

Hydro Seeking More Power Under Beauharnois Contract

From Our Own Correspondent

MONTREAL. — Ontario's Hydro-Electric Power Commission is said to be negotiating with Beauharnois Power Corp. for delivery of a block of power over and above the 150,000 h.p. now being taken under the terms of the agreement entered into in Dec., 1937. It is not known whether Hydro also approached Maclaren-Quebec Power, which holds power in reserve for the big provincial system.

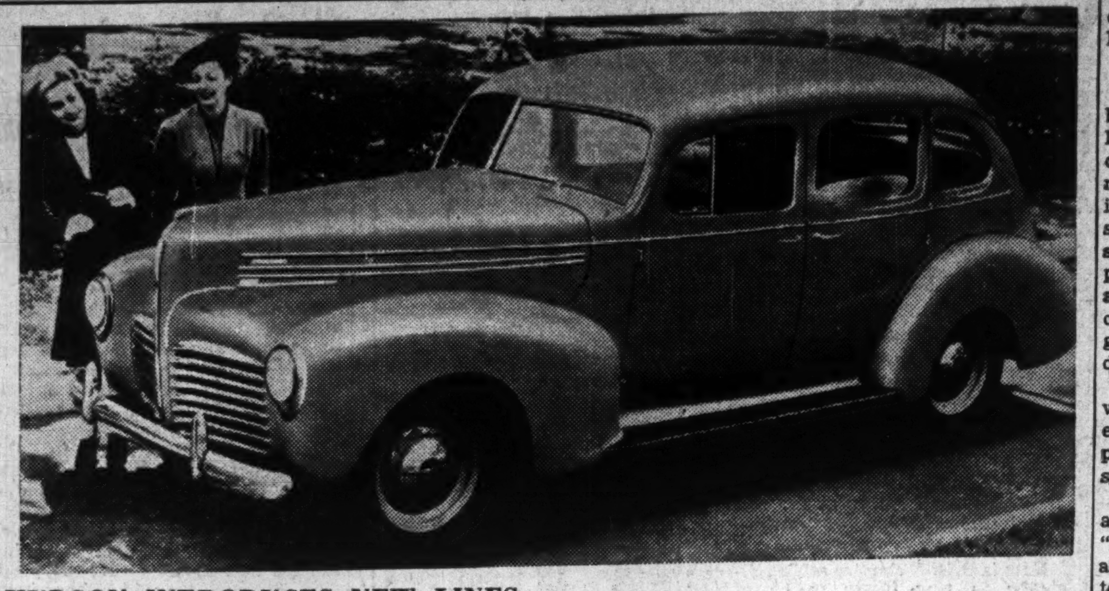
Under the existing agreement Beauharnois is delivering 150,000 h.p. of 25 cycle power to Hydro. Ordinarily this would remain unchanged until Nov. 1, 1941, when it would be stepped up to 200,000 h.p. The next jump to 225,000 h.p. would come toward the end of 1942 and the full amount of 250,000 h.p. would be delivered from Nov. 1, 1943, to the same date in 1976.

At present Hydro has a call on Beauharnois power up to 100,000 h.p. It simply pays for the power delivered under the terms of the contract.

Ontario Hydro's load has been increasing steadily of late months and with a possible wartime demand in prospect, the Commission may be called upon to supply a larger amount of power than is now available.

Beginning next month Ontario Hydro-Electric Power Commission will be taking full deliveries under its contract with Gatineau Power Co. This calls for an additional 60,000 h.p. of 25-cycle power which hitherto has been held as stand-by and reserve power.

With the new power Gatineau will be delivering to Hydro 260,000 h.p. of 25-cycle power and 60,000 h.p. of 60-cycle power.



HUDSON INTRODUCES NEW LINES

Three new groups of cars are offered in the 1940 Hudson models currently in process of introduction. One is a new line of straight eight models. Another is described as "a completely new six" under the Hudson name in the low price field, and is pictured above. Features of the new six include independent front-wheel suspension, dual braking, "auto-poise" control, and front hinged hood.

War Changes Auto Outlook

(Continued from page 11)

approximately the same as prevailed in the past year. As far as the labor angle is concerned, such pressure as may be exerted for higher wages is not likely to be disruptive in its effect as in the United States.

War Equipment

A possibility confronting Canadian automotive plants is that they will be called upon to produce war equipment and supplies. The outlook in this regard at present is somewhat indefinite, though the ease with which auto plants can be turned to making needed equipment is expected, sooner or later, to bring them into the war supply picture.

Up to a point, surplus capacity and part of production facilities in use could be turned to output of war supplies without interfering with car production. Current outlook is that all or most of car production for 1940 can be completed without such interference.

It is conceivable that at some time during the next year or two, demand for war products would require adjustment or even temporary abandonment of civilian auto production by some plants. Any losses on this account would, of course, be offset by revenue from war purchases.

Used Car Market

Also coming in for some attention by the motor makers is the used car market. It is conjectured that departure of Canadian forces for Europe, and even the military training activity within Canada, will mean an influx into the used car market of ex-civilians' autos.

Any glut and lower price trend in the used car market always affects sales of new cars. Used car purchases become more attractive and the amounts new car dealers can profitably offer on turn-ins has to be reduced.

At the moment, any effect of soldiers' cars on the used car market seems likely to be limited. Stated Canadian policy at present is to keep to moderate size any expeditionary force sent to Europe, to keep essential workers in industry at their posts, and to concentrate on helping Great Britain to finance and supply her war needs.

Furthermore, there seems no reason why the demand and price level in the used car market should not respond as well as new car sales to wartime spending.

War-free Aspects

In one important phase, the automobile industry in Canada shows little or no reflection of the war. This is in the continued advances made in improving and refining the specifications of 1940 cars; in extending the trend of modern body design of the past few years; and in the preparations for public introduction of the new lines.

Plans for new features or changes in 1940 lines were for the most part made, of course, long before the outbreak of war. It is impossible to find in the design and equipment of the new cars any curtailment, modification or adaptation traceable to the war.

In fact, early wartime buyers of cars will benefit from what appears to be a particularly earnest effort by the motor makers to advance the styling, comfort, safety, efficiency and ease of operation of their products.

Presentation Plans

As far as procedure of presenting new models is concerned, the war has brought little change or adjustment. The new lines of several makes have already been announced and publicly offered in the usual way. In regard to the National Motor Show, opening this week at Toronto to spotlight the 1940 creations of the all new cars, about the only war-made change is one of timing.

Before outbreak of war, the show had been scheduled about a month earlier than last year to harmonize with advanced production and model release schedules of most producers. After war came, an early decision was to cancel the show. This was shelved in favor of a belief that the automotive industry should lead the way in keeping Canadian industry as a whole on a stable, "business-as-usual" basis.

The only change in original plans was to advance the date of the show an extra week, to make way for occupancy of Canadian National Exhibition buildings by military units in training.

Pre-War Basis

But in all other respects, the show will be on a pre-war basis. It will be staged with all its usual glitter and splendor in the million dollar Automotive Building at the Exhibition, one of the few specially designed automobile display buildings on the continent and one of the largest of its type in the world. It will have all the entertainment features and social glamor which have gained the show the rating in many quarters as the most successfully "swish" motor show on the continent.

Within the magnificent setting of the show, producers of both domestic and imported cars, trucks, accessories and auxiliary products will spotlight the new trends of their products for the coming year. And there will be much to interest the show visitor, whether he be a potential car buyer, an interested motorist, or a mere curious pedestrian.

Among the new trends and improvements displayed by the new models as a whole, most notable is undoubtedly the "sealed beam" headlight development. This definitely new feature is offered by all models of all lines, with the exception of one or two lines in the lowest price field.

Advantages claimed for the new lamp units are an average of 50% stronger light, far more precise placement of light beams, according to requirements, and longer life and efficiency of headlight units. In comparison with the type of old style lamps used in some lines, it is estimated that 65% more light is given by the new fixtures.

Research Development

The sealed beam headlight is the product of several years of research and test by engineering divisions of the automotive and electrical industries, and of affiliated groups such as the Automotive Safety Foundation. Formerly headlights were made up of separate bulbs, reflectors and lenses. The new type consists of a filament. reflector and lens of improved design, integrated into a single permanently sealed unit that fits into the metal headlight shell, much as the old type bulb fitted into the socket.

While replacements of the new unit will be somewhat more expensive than buying a new bulb for old type headlights, all tests indicate that the sealed beam unit will last longer than previous types. Furthermore, efficiency will remain undiminished during its lifetime, as the sealing feature obviates effects of vibration, of moisture and grime. Such external forces on old style units tarnished reflectors, dirtied and damaged bulbs, and impaired headlight efficiency by as much as one third in the first year of operation.

The powerful upper beam of the new headlights throws a high, wide light a quarter of a mile ahead of the car and is slanted toward the right to pick out soft road shoulders, ditches, traffic signs, and highway pedestrians. A floor switch throws on the lower beam for use on lighted city streets, for the benefit of approaching cars on highways, and similar circumstances.

On virtually all of the new models, headlights are bulit in with their lenses flush with front fender surfaces or with their outer metal shell molded into the streamlining of fender and body. Parking lights are immediately above or to the side of the main headlights. The suspension or projection of headlights, usually between hood and fender, seems to be disappearing.

Fingertip Control

The attention of motor makers to enhancing the safety, simplicity and efficiency of operation, is reflected in the sealed beam headlight development, is indicated in other features of new models. Replacement of long gearshift levers rising from the floor with small, "fingertip" controls attached to the steering post, has been made general by adoption of this feature (mostly as standard equipment) in the low price field.

While details have not been announced, it is virtually certain that one line of General Motors cars will foreshadow still further extension of the growing trend toward ease of operation. Already headway has been made in reduction to a minimum of the number of control instruments the driver has to use. In the past several years, this has been reflected in steering-post gearshifts, "pistol grip" hand brakes under the dashboard, automatic choke units, and dashboard starter buttons (offered more widely this year).

The new feature reportedly to be offered by General Motors, as an optional feature on one model of an unannounced line, will eliminate both clutch pedal and gearshift lever. Basically, this clutchless transmission is not entirely new, being developed around the fluid flywheel principle used in past years on various English and European makes of cars and on some buses and trucks on this continent. It was offered optionally on one of Chrysler's higher priced lines last year.

Operation by Throttle

But this is the first time it has been made available on a medium or low priced line of popular make. As developed by General Motors, the new feature will limit ordinary driving operation to starting the engine; setting a small indicator under the steering wheel at "reverse" or "high" position; and stepping on the accelerator. A "low" position is provided on the indicator for using the engine as a brake when ascending or descending long, steep hills.

It is reportedly impossible to stall with clutchless transmission and the engine automatically goes into the proper gear in accordance with the speed of your car.

This year the feature is offered as an optional extra, as a "feeler" or "kite-flying" test. But all indications are that if it captures motorists' favor to the extent anticipated, and stands up in ordinary operation as well as it has in pre-production tests, it will be extended to other makes. Eventually it may become more or less standard equipment in the industry.

Roomier Bodies

Elimination of floor-set gearshift levers and brake handles has paralleled a steady expansion of riding room in modern cars, through redesign and refitting of car bodies. This trend is continued this year, with nearly all 1940 models offering more leg room, wider seating surface (several lines can seat four in the front seat), and greater comfort and convenience for both drivers and passengers.

Greater visibility and simplicity of operation characterize dashboards, instruments and other accessories. Controlled, draftless ventilation has become standard with nearly all lines, and several lines offer air-conditioning, with control of ventilation, temperature, moisture and cleanliness of the air.

Streamline Trend

In appearance the 1940 models show extension and refinement of the three main trends of body design evident in the past few years—the blunt bullet, inverted canoe, and long-snouted types of streamlining. Contours have been smoothed, by elimination of such projections as headlights, hinges, running boards, excessive chromium overlays, and hood ornaments. A new variation of streamlining is being introduced by McLaughlin-Buick, with "torpedo streamlining" of the two new series of its line of models.

Objections made to earlier experiments with removal of running boards have been obviated in the new lines offering this feature. The lower line of the doors and adjacent body contours have been flared slightly outward to prevent pebbles, dirt and moisture from being thrown up against the sides of the car.

On nearly all new models, windshield and window areas are larger, and safety glass has been improved.

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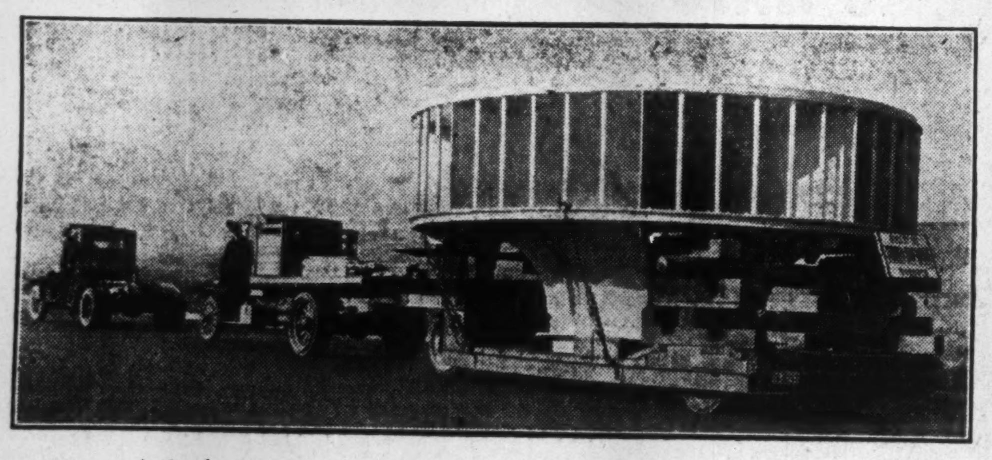

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